FORMOSA.

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FORMOSA.

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PREFACE.

THERE has always attached more or less an idea of romance to the remarkable island of Formosa, and around it have centred many of the most picturesque episodes in the record of European intercourse with the Far East. When, on the decline of Spanish and Portuguese colonial energy, Holland saw her opportunity of bearding on the ocean her former proud oppressors, Formosa offered a tempting position whence she could harass equally Spain in her Philippine colonies, or Portugal in the settlements she was seeking to make

on the sea coast of China. Ancient as is the Empire of China, it had never thoroughly established its authority over the sea coast of Fuhkien and Kwangtung. Even so late as the close of the 13th century, when the scion of the imperial house of Sung fled for refuge to the port of Amoy, the greater portion of the coast was still inhabited by the aboriginal population, traces of whom are still to be found in the dialectic mutations, and in the geographical names of hills, islands, and promontories. The Portuguese were the first to appear on the scene, but toward the end of the sixteenth century we find the Dutch competing with them for the possession of the trade with China. They established their headquarters at Fort Zealandia in the south of the island, whence they were able to harrass their rivals even in their own port of

Macao. These were in the last days of the Mings, when the misgovernment of a series of weak Emperors, led by women and eunuchs, and the unchecked exactions of the provincial governments had reduced the Empire to the verge of ruin. But the very weakness of the Government wrought its own cure. The want of effective control led to the unchecked growth of piracy along the coast of China, till one of those born leaders of men, who often appear in such a crisis, rose in the person of the celebrated Koxinga. Meanwhile the Manchus were pursuing their successes in the North, and Koxinga, along the coasts of Fuhkien and Kwangtung, was increasing day by day his fleet, and assuming the ways of an independent sovereign. He had the address to perceive that his best interests lay in protecting, not destroying, the trade

of his countrymen; and this led to his quarrelling with the Dutch, who claimed possession of the rich Island of Formosa; and the upshot of this was their final expulsion, and the assumption of almost regal power by the successful pirate. Meanwhile the Manchus had entered Peking and upset the feeble remnant of the Ming power, and the new Emperor, a man of energy and ability, set before himself the task of reorganisation. Overtures were made to the ex-pirate, who readily fell in with the proposals, and Formosa became for the first time an appanage of the Empire. Its history since has been a chequered one; the Chinese introduced all the vices of their official system, and never succeeded in efficiently subduing the native element. The natural vitality of the race led to the gradual supercession of the native

tribes, who were eventually hemmed in in the most rugged parts of the mountain chain which runs from north to south of the island. The preparation of tea and sugar became an important industry, and was fostered in their usual bungling way by the officials; but of late years the island has been mainly conspicuous as the chief seat of the camphor trade; an industry which the short-sightedness of the inhabitants of the other districts where the gum was produced, in permitting the destruction of their camphor forests, had driven, as its last stronghold, to Formosa. The usual wasteful instinct of the Chinese as a people, which has almost deforested the empire, and left China dependent for timber on her neighbours, would, had the Chinese rule been continued, in a comparatively short time have led

to final extinction of the tree in Formosa.

The circumstances under which Formosa was in 1895 ceded by China to Japan possess in themselves some of the elements of romance which seem ever to have clung to the island. The Japanese have ever cast a longing eye on the island, and, in the sixteenth century, when the Dutch and Portuguese were vying for supremacy, visited it frequently on their buccaneering voyages to Southern China, to which they were tempted by the weakness of the administration. They did not, however, at that time effect any permanent lodgment, and on the establishment of the powerful government of the present dynasty these plundering expeditions ceased for two centuries. The decay of the Ta Ts'ings, following the same lines as that of their

predecessors, afforded a tempting opportunity to the restless islanders. The newly re-established Empire had an object in turning the attention of its people, still unsettled, towards the decaying Empire of China, and so in 1874 we find an expedition landed in Formosa, nominally to chastise the natives for piratical attacks on certain Loochooan junks, really, as it turned out, to test the military strength of China. China was, of course, taken unprepared, but instead of taking the lesson to heart and putting her army and navy in order, she, unfortunately for herself, followed the mistaken advice of the then British Minister at Peking, Sir Thomas Wade, and pusillanimously bought off her enterprising neighbour.

The knowledge gained was not wasted on Japan, who, twenty years

later, contrived to fix a quarrel on China. Aware of China's helplessness, she pushed on till she had Peking at her mercy, when again China's foreign advisers came to her aid with strong recommendations. Japan consented to peace, but demanded, in addition to her expenses, the historic Peninsula of Liaotung, and the rich Island of Formosa, in which she had not at the time a single soldier. Anxious to secure peace at any price, the British Government announced immediately its acceptance of the ignominious terms and advised China to accede. In the cession of Liaotung, Japan, however, found a more determined opponent; and Russia, who conceived her interests threatened, joined with France and Germany in compelling Japan to drop the good thing she had secured. Probably Japan was not altogether

dissatisfied with the result, which, in addition to a large indemnity, left her in possession of the "Jewel of the Eastern Sea." But, though ceded on paper, Japan had yet to obtain possession. The Chinese inhabitants objected to being thus sold without their consent and established an independent "republic" of their own, which, however, existed a few weeks, when, the Japanese having landed in force, it collapsed as suddenly as it had arisen.

But, although organised opposition had ceased, the inhabitants did not readily accept the new rule. The Japanese have, indeed, been only able to govern as yet as far as they were able to extend their outposts, and the rest of the island has been in a state more or less chaotic. Murders and reprisals, in which neither side have gained, however, have unfortunately

been the order of the day, and have interfered with the establishment of settled government.

It is, then, too early to judge of the probable effects on the island of the firmer rule of Japan, but there is no room for doubt that, if wisely administered, it will be a source of strength as well as of wealth. To show its present condition and prospects, and to afford the world at large an opportunity of becoming acquainted with the potentialities of a little known but much misunderstood island is the object of the following pages.

The greater portion of the work, as well as the maps, has been taken from the *Decennial Reports* of the Chinese Imperial Maritime Customs, 1882-91, compiled prior to the cession of the island, but other sources of information have been

freely made use of. Particular attention has been given to the industrial aspects of the island, and the work, appearing in a form more readily available than the Chinese Customs Reports, which are now practically out of print, will be found useful for future reference.

The work is republished from the *Celestial Empire*, in the columns of which, and of the *Shanghai Mercury*, the greater part has already appeared from time to time.

SHANGHAI, December 1st, 1896.

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CHAPTER II.

FORMOSA.

I.

At the present moment it will not be out of place to give our readers a few particulars about Formosa, as it is now turned over to Japan by the Chinese, a greater part of which we take from the *Decennial Reports*, 1882-91, published by the I. M. Customs. Formosa came under the rule of China in 1682. The rebel chief Koxinga had driven the Dutch out of the island in 1661, and his grandson resigned his claims to the Sovereignty of Formosa in favour of the Emperor K'ang Hsi, the island becoming a portion of the province of Fuhkien, under the rule of a Taotai, until 1885, when it was made a separate province, under a Governor. Though the Chinese have governed the island, their power never extended into the mountains, which run from north to south along the eastern side, and which are inhabited by a

people called by the Chinese *sheng-fan* or wild savages. The origin of the aborigines has never been satisfactorily settled. There seems to be little doubt that they have Malay blood in them, and the following incident may afford an illustration of how the Malay blood, in the course of ages, was introduced into the island. In August, 1886, some fishermen in the neighbourhood of Anping picked up a castaway canoe in which were three men and two women and one child in a starving condition. They proved to be natives of an island to the north of Luzon, who were blown to sea in a typhoon, and ultimately drifted to the shores of Formosa, having been thirteen days without food, and dependent on rain for drink. Their canoe, which has the appearance of a hollowed-out tree, still lies at Anping on the bank of a creek. It seems quite possible that, from time to time in years gone by, Malays, male and female, may have drifted thus to Formosa, and, unable to return to their own country, settled down, and intermarried with whatever race was in occupation. However, whatever their origin, they are assuredly a hardy and warlike population, and have managed, until within the last few years, to keep the Chinese out of their mountain fastnesses. The Chinese steadily pushed the savages back into the mountains and occupied and cultivated the ground from the sea to the foot of the hills, but the savages have

ever made sorties from the mountains, attacking, killing and plundering the Chinese. In 1887, Governor LIU MING-CH'UAN issued orders for a re-survey of the land and more strict collection of the land-tax. The survey was carried into borders of the savage territory, and led to retaliation on the part of the savages. In the *Peking Gazette* of the 26th, June 1887, the Governor reports what steps he had taken to civilise and subjugate the savages and open up the mountain districts. With the protection of troops a road had been cut across the island from Chang-hua to Shui-wei, a distance of 180 *li* (about 60 miles). As a consequence, in the districts of Shui-wei and Su-ao eighty-nine villages submitted, embracing 21,000 persons. The men adopted the Chinese tonsure, head-men were appointed for the villages, and the use of the Chinese calendar was introduced among them. After this, attention was turned to the neighbourhood of Peinan, where thirty-nine villages, with 13,000 persons, submitted; and on the eastern boundary of the districts of Feng-shan and Hêng-ch'un ninety villages submitted. The total number which submitted on the eastern side of the island were 218 villages and 50,000 persons. On the western side of the mountains operations were carried on in the districts of Fêng-shan, Taiwan, Chia-i and Chang-hua, where 260 villages and 38,000 persons submitted. The

result of this work was that some hundreds of thousands of acres of fertile land came under cultivation, internecine feuds were prevented, aud civilisation was introduced among the inhabitants of the most inaccessible valleys. In the summer of 1888, at Pei-nan, the Chinese allied themselves with the savages and organized an armed opposition to the new land tax. So serious was the opposition that Admiral TING was sent, with two iron-clads of the Northern Squadron, to help in subduing the rebels. Meanwhile a more serious rising was taking place in the neighbourhood of Chang-hua, which city was beseiged and the telegraph line to Tamsui cut. So threatening did the situation become that the British Consul, fearing that the rebels might advance on the port of Tainan, asked for protection. Two British and one German men-of-war were sent to Takow, but before their arrival the rebels had been dispersed and all fear of trouble had passed away, the Governor having issued a proclamation that the impecunious would not be pressed to pay the land tax. In December, 1891, a report by LIU MING-CH'UAN was published in the *Peking Gazette*, stating that the rising had been finally suppressed, and that all troops drafted to Formosa during the disturbances had been sent back to their respective stations. The savages still maintain their frontier line and the Chinese are unable to penetrate far

into the inaccessable mountain regions. Even in the time of peace the danger to life among the Chinese collecting camphor and rattans is great, and the outbreak of a revolt is usually marked by the sudden slaughter of hundreds of Chinese on the border. Occasionally the first provocation comes from the Chinese. Each side fears and despises the other, and fighting between them is accompanied by every form of barbarity. Warfare on this field is a series of ambushes on one side or the other, and in such a mode of fighting the savages, coming down the mountains with the wild forest at their back as a cover, have commonly the advantage, even when they are hundreds against their opponents thousands. The mode of warfare on the border is well described by Dr. HIRTH in his report on the trade of Tamsui for 1891, in the following words:—"The savages of Formosa would be a difficult enemy for any body of troops to deal with. The abrupt steepness of the hills which separate the savage territories from the surrounding plains, inhabited by Chinese settlers, makes a natural stronghold; and the ape-like swiftness with which these aborigines will ascend an almost perpendicular wall of rock, never attacking except with a safe retreat, firing from behind their hiding-places, and hardly ever seen by the opposing force, which is thus kept in suspense for weeks, with continuous losses, without the

chance of an open fight on equal terms—all this must have a discouraging effect on the plucky Hunan braves, whose ranks are, moreover, thinned by an enemy as powerful as the savages, namely, malarial fever."

The hill-men are true savages, practising only a rude husbandry, unskilled in the arts of peace, using but little iron, and that in the rudest form, and delighting in the chase. Between them and the Chinese settlers of the plain are the reclaimed savages, the so-called "Pepohoan," who are said to be an estimable race, adhering to neither side, left neutral by both, and appearing to escape the common fate of those who come between the upper and nether millstone. The last revolt of the savages, affecting only the region back of Tokoham, in the north-west corner of their territory, began towards the end of 1891, and continued for about a year. The balance of success was on the Chinese side, but both sides suffered severely. The following *précis* of a Memorial presented to the Throne in December 1891 will be of interest:—

"The Governor of Formosa reports that a disturbance has been caused by the aborigines at San-chiao-yung and Shuang-ch'i-k'ou, in the neighbourhood of Tokoham, in North Formosa. Since the 3rd and 4th moons of the 17th year of Kuang Hsü [1891] there have been several feuds between aborigines and Chinese. At times one or two and at others

over 10 Chinese were killed, as reported by the officer in charge of the Colonial Department. My predecessor, Shên Ying-k'uei, ordered General Chên Lo to go and arrest the offenders and to punish the village Ma-su, whose people killed eight Chinese soldiers. The village has since been destroyed. Afterwards Shên Ying-k'uei, seeing the unsatisfactory state of affairs at the villages Tayenhanta, Tachialapa, and Chiachiukan, despatched General Lo and his men to San-chiao-yung and other places. Cases of dacoity were more frequent as time wore on. The naked savages would collect in crowds at the sound of a whistle and attack and burn our outposts, killing several of our soldiers, who were scattered over a large area. Unable to cope with them, Shên Ying-k'uei marched out to Tokoham the soldiers of the two garrisons at Ting-hai and 1,000 local braves under Lin Wei-yüan. The reclaimed savages of Ch'u-t'ou-chiao and Wei-hsiao then combined together, surrounded the army, and cut off supplies and the line of retreat. Colonel Lin Fu-hsi was compelled to send to Colonel Ko for instant help, numbers of his soldiers having been killed by the savages. At the end of the 10th moon the savages were summoned to disband; they resisted, a combat ensued, and losses were sustained on both sides. Among our officers, Chêng Yung, attacking Wei-hsiao from Chu-t'ou-chiao, and Lin Hsu-ch'uan, amongst the braves, fell in the fray at Chia-pan-shan. The Weiyüan of the Colonial Department and the Sub-District Magistrate Chen Chang-ching,

although wounded, still urged their men to strike. The savages having been driven back, the soldiers burned three villages; Tang-yen and other places returned to allegiance. Since my taking charge the savages at Wu-chi-shan have been well behaved. There are those amongst them, however, who are fractious, and, if not severely dealt with, will cause trouble amongst the reclaimed savages. The naked savages must be repressed. Six *hsiao* of soldiers are not sufficient, nor are the braves strong enough for the work. More troops have been despatched to the seat of the disturbance, hoping to put an end to it. The results will be reported at the proper time."

It will not be out of place here to mention the outrage of the Formosan savages on some wrecked Loochooans which led to the Japanese landing in Formosa to punish the savage tribes.

On the 6th September, 1871, sixty Loochooans were wrecked on the eastern coast of Formosa, and murdered by the savages. The Loochoo Islands had been an appanage of the Prince of Satsuma since 1609, and, as the premission for their invasion was given to Satsuma by the Shogun in that year, they were looked upon as belonging to Japan. The King of Loochoo's own story is as follows:—

"Our country first commenced to pay tribute to China, and to be under her dominion, in the fifth year of Hung-Wu of the Ming Dynasty, 29th year of the 66th cycle (1372).

From that time Loochoo continued to pay tribute to China, without interruption, for a period of 237 years. In the 37th year of Woo-lib, 46th year of the 70th cycle (1609) our country was invaded by the troops of the province of Satsuma, and Loochoo, being unable to offer effectual resistance to the invaders, was compelled to submit to them. But this made no change in the payment of tribute to China. The circumstance of the submission of the Loochoo to Satsuma was kept from the knowledge of the Chinese Government by the Japanese, and whenever the Loochooans sent a ship to China they were compelled by the Satsuma people to take a solemn oath not to divulge the actual position of matters. Whenever the commissioners from China also arrived in Loochoo the Satsuma people left the Capital and concealed themselves at a place about ten *ri* distant. This is the reason why the fact of Loochoo having subjected herself to Satsuma was unknown to China and to the rest of the world.

"The Japanese Government having been reconstructed in the 11th year of Tung-chi (1872), this Government, in obedience to a command from the Governor of Kagoshima, sent an envoy to Tokio, and the order was then given to him for the investiture (of the King of Loochoo) as the prince of the dependency, and for putting Loochoo under the direct control (of the Japanese Government.) The officer referred to (the Governor of Kagoshima) himself drew up a form of submission to the order entrusted to our envoy. But having received the investiture of King of

China, we could not receive another investiture from Japan; and therefore we firmly stated to the Governor that we declined it. The Governor, however, sternly replied that not to obey the order would be to resist the will of the Emperor, and that Loochoo must be governed like the other *ken*. Our envoy being placed in a dilemma could not help promising compliance with the order, upon his own responsibility, and when he returned to Loochoo he memorialised to King upon the subject. This false step (on the part of the envoy) gave great uneasiness to the King and all the officials of Loochoo. They consulted together for the purpose of sending a request to be excused from compliance with the order, but the fear of bringing upon themselves some great calamity in so doing, induced them for a while to promise compliance with it. But afterwards they determined it was best for them to decline. As regards the letter of the king returning thanks (for his appointment as prince of the dependency), this also was the result of the proceedings of the Governor of Kagoshima, who sent the draft of the letter, which was then written and forwarded (by the King). Afterwards when we wished to decline the investiture, the Daijo-kuan would not permit us to do. Although we were obliged to receive the investiture, as we have stated, it was with the understanding that Japan would never change the constitution nor form of the Government (in Loochoo), and accordingly both in 1872 and 1874 tribute was sent to China as formerly. But in the first year of Kwang-sä (1875) Japan issued a proclamation

forbidding our again paying tribute to China. Our whole country regarded this as being an extraordinary breach (of faith on the part of Japan). In the Japanese book it is stated that in the times of Jimmu Tenno the people called *Ya kee* (or *Yik ku*) and *Ya ni ka*, came to the Court to offer presents; that these were Loochooans, and that our country has been under the jurisdiction of Japan since that time. An examination of books will show that these statements are incorrect. It will be found that our country previous to the Satsuma invasion was regarded as a neighbouring state with whom the Japanese held friendly intercourse. This is most clearly shown. At that time written official documents were exchanged which are still preserved, and in which it is conclusively proved that we were not then under the jurisdiction of Japan. Moreover the names of *Ya kee* and *Ya ni ka* are not found in the old historical works of our country. The islands now called *Yakushima* and *Yanihashima*, on the south of Satsuma, are those to which the Japanese referred, and not Loochoo. In Japanese works published some years ago it is said that 'the time when Loochoo first held intercourse with Japan has never been clearly stated, but from the repeated researches into her history it seems probable that they are the southern islands spoken of as *Yakushima*.' But this is a comprehensive name given to all the islands lying south of Satsuma, and it cannot be concluded that Loochoo was indicated by it; and to assert that *Yanikashima* was the name for

Loochoo is too palpable an error to require discussion. Other Japanese books which treat of Loochoo are full of error and unfounded statements."

Japan declared that after the murder of the Loochooans the King of the island complained to Japan, and not to China, to obtain satisfaction for the outrage; a request which *prima facie* admits the sovereignty, as it claimed the protection of Japan. Japan at once took the matter up. Before sending an expedition against the savages of Formosa, an ambassador was sent to ascertain the views of the Chinese Government. China acknowledged the right of Japan to punish the aborigines of Formosa who had murdered the Loochooan sailors, for China claimed no jurisdiction in that part of Formosa. This being the case, Japan decided to send an expedition to Formosa.

The Japanese expedition to Formosa met with strong opposition in some quarters. The majority of the Foreign Ministers considered that Japan would endanger herself in such a way that it would be difficult to extricate herself. When China saw that Japan was really in earnest it became necessary to assert her own rights and she then strongly objected to any part of Formosa being occupied by Japanese soldiers, but as Japan had already made arrangements for landing in Formosa, China's objections were too late. The *Yorkshire*, an English

steamer, and the *New York*, a Pacific Mail steamer, were chartered for the conveyance of the Japanese troops, artisans and coolies, who carried with them appliances for road-making, hut-building, jinrickshas, ambulances on wheels, &c. The Japanese knew that the Chinese claimed sovereignty over a great part of Formosa, but the Chinese themselves had marked out on a map the limit to which this extended. At that time the aborigines, who were not numerous, had managed to retain an independence which no effort of the Chinese had been able to quench. In the southern end of the island, where the atrocities took place, the savages were divided into eighteen tribes, or villages, containing from fifty to 250 fighting men each, altogether amounting to about 2,500, but it was not so much in themselves that they placed confidence, as in their fastnesses, which presented insuperable difficulties to an attacking force. When the expedition was on the point of starting an unexpected obstacle was thrown in the way of the Japanese. After the *New York* had arrived at Nagasaki with troops and stores, *en route* for Formosa, a telegram was received strongly warning Lieut. CASSELL and Lieut. WASSON, two American officers, who had been engaged by the Japanese, and had received permission to do so by the State Department at Washington, against taken part in the affair, and forbidding the

New York to fulfil her charter, on the ground that the expedition was an infringement of the rights of China. The first batch of troops had, therefore, to be despatched in a Japanese steamer, the two American officers accompanying them. These prepared a camp for those who were to follow. The charter of the *New York* having been cancelled the Japanese purchased the P. & O. steamer *Delta*. Mr. HOUSE, who accompanied the expedition as correspondent to the *New York Herald*, gives the following brief account of the affair:—

"The landing of the small body of marines and a portion of the stores brought by the *Yuko Maru* commenced at a tolerably early hour on the morning of the 8th. This work was not accomplished with anything approaching to order or regularity, for these qualities, although strikingly manifest among the Japanese in all that relates to the management of affairs according to their own traditional usages, are often lost sight of when they undertake the employment of foreign methods. I can imagine a Japanese army of the old school, before Western military science was introduced, to have been a model of promptness. At present, however, the troops are deficient in many conditions which we consider essential to success and distinction in arms. The events of the civil war of 1868 certainly proved that they possess almost an excess of the most important of soldierly attributes — namely, personal courage; but the manner in

which even this was displayed was frequently more dashing and desperate than positively effective. Of late years they have shown an excellent willingness to submit to the requirements of regular discipline, but they have never been able to accustom themselves to the lower details of military routine. I suppose that the old idea still prevails to a considerable extent—that the soldier belongs to a superior class, and is not properly liable to menial offices or the particularly fatiguing labours of the field. It is almost humorously at variance with our notions of the economies of war to see a body of a hundred soldiers accompanied by nearly an equal number of "coolies" to do the work of building shelter, cooking, and a good part of the digging of trenches. But so it was here. The adoption of foreign military systems does not appear to have gone much beyond the actual use of the weapon and the manœuvring of the various branches of the service. The management of the commisariat is still in the native style, and transportation is conducted upon what I take to have been the principles of the time of Taiko Sama, who undertook the invasion of Korea in the sixteenth century. In their way they are not ineffective, and in the matter of supplies, at least, there was always an abundance in Formosa, and at some times an almost wasteful profusion. The methods of conveyance were generally prompt, though somewhat rude and needlessly expensive in their execution. There can be no doubt that the quarter-master's department was distinguished by a great deal of vigour and by excellent

good sense; but its administration was not exactly in harmony with the new ideas which have been to a great extent adopted in the management of the troops themselves. What the Japanese might or might not do if they attempted to carry though their operations entirely upon the ancient basis, it is impossible to say: but the partial infusion of the new customs, while it undoubtedly adds to their destructive capacities, contributes thus far, very little to the convenience or healthfulness of their armies. These results still rest in the future."

The impatience of the Japanese of control was their distinguishing characteristic. Thus, the first blood shed was under the following circumstances, as given by Mr. HOUSE:—

"It was not long before the Japanese soldiers received a shock to their sense of fancied security. In spite of repeated admonitions, numbers of them persisted in wandering about through regions too remote from the camp to allow them to reach it, or enable them to receive assistance, in case of danger. On the afternoon of the 17th, a body of one hundred men was sent out to a distance of two miles eastward, for some reconnoitring purpose not clearly defined. They ran no particular risk, so long as they remained together and kept clear of the jungle; but half-a-dozen of them were seized with the desire to visit a little village, the roofs of which were seen over the shrubbery, less than a quarter of a mile further on. They went there unmolested, and remained a while. On their way back,

they were fired upon, from a thicket, by invisible assailants. One man was wounded in the neck, and another, a sergeant of a Satsuma regiment, was shot dead. Having no means of knowing the number or the exact situation of the attacking force, they ran back to the reconnoitring party, all of whom advanced without delay to the spot. They found that the head of the murdered man had been cut off, his body stripped, and his weapons taken away. Of course no trace of the enemy could be discovered. The result of all inquiries upon the subject showed to a certainty that the work was done by members of the very Botan tribe which slaughtered the Miyako Shima fishermen in 1871, and which the Japanese were now in Formosa for the sole purpose of calling to account. The Botans were known to have posts of observation on the hill-tops, and it was a simple matter for them to watch the movements of stragglers, and intercept them by side paths with which all the aborigines were of course perfectly familiar. It was hoped that this first mishap would at least be an effective warning to the reckless excursionists connected, more or less officially, with the expedition ; but it did not prove so. Some of them were insensible to restraint, and showed themselves incapable of profiting by any lessons, however severe.

"On the 21st of May, a detachment of twelve men was sent out to examine the locality where the Satsuma soldier had been killed four days before. Their instructions were to visit the village at which they had previously halted, to inquire into the circum-

stances, and to ascertain beyond a doubt to which tribe the unknown enemies belonged. It was recognized that the murdered man had been roaming in places where he should not have been, and that the assailants were perhaps not bound to know that his errand was innocent; but, on the other hand, apart from the fact that the Japanese were in no case disposed to look upon his death with indifference, he had gone nowhere near the established limits of the Liangkiao district, and the actual intrusion, as well as aggression, had been on the side of the savages.

"It was understood that this scouting party was not to expose itself to danger, and was to confine itself to gathering such information as could be obtained without serious risk; but the restless spirit of the men was, as usual, entirely beyond reasonable control. They found the place to which they had been sent entirely deserted, and thought proper to push forward to the next settlement, a couple of miles beyond. When they were about four miles from the camp they were suddenly confronted by a body of not less than fifty natives, who fired upon them, severely wounding two of their number. They returned the fire, and killed one of the enemy, whose corpse was afterwards found by the coast villagers, half concealed in the jungle, after which they retreated hastily to the shore. The alarm being given, the entire Japanese force not on guard duty, about two hundred and fifty altogether, turned out and marched rapidly to the scene of the encounter. They reached it about half-past five o'clock in the afternoon

and were greeted by an irregular volley from the bushes, which they could only return at random. They advanced, however, at a double-quick, the troops in the rear showing the greatest impatience, and making every endeavour, even at the expense of order, to press forward to the front. But their alacrity was not equal to the speed of the natives, who, from their familiarity with the country, were enabled to retreat without injury, sending a few scattered and ineffectual discharges behind them.

"On the morning of the 22nd, two companies, led by Colonel Sakuma, who had already won distinction in the recent Saga contests, went out to the support of those who had been left behind the night before, and to perform those duties, mentioned above, which concerned the suspected villagers and which did not necessarily involve a conflict on this occasion. But curiosity, or some stronger motive, induced them to push forward to the mountain path near which the savages had been lost sight of. Here, half way through a narrow and precipitous pass, the enemy again rose upon them, and the first genuine engagement ensued. The mountaineers were at first estimated to have been two hundred and fifty in number, but this was subsequently found to be a great exaggeration. They were about seventy. But they had enormous advantages of position, which I had afterward the opportunity of examining on all sides. Although one hundred and fifty Japanese had marched to the spot, the difficulties of the situation

were such that not more than thirty could be actively employed. There was no road, and the fighting was actually done in the middle of a river which runs through the rocky gateway by which alone the Botan country could be approached from this direction. The savages were posted behind masses of stone which they had selected beforehand, and the Japanese assumed such stations as they could best find at the moment. The exchange of shots lasted over an hour, at the end of which time the natives all ran away—at least such as were able—leaving not one to be seen in any direction. They took their wounded with them, but sixteen dead bodies were left behind, the heads of most of which were cut off and brought back into camp. Six Japanese were killed, one of whom was an officer; and nearly a score were wounded, most of them very slightly.

"General Saigo took an early opportunity of giving new assurances that it had not been his desire that conflicts should take place with the savages, and that all reasonable means should have been taken to avert them; but the events just preceding his arrival seemed to leave him no choice. He approved the decision that had been agreed upon, several days before, that the first two attacks, when one soldier was killed and three others wounded, should be passed over for the present; but felt that the third had been on rather too extensive a scale. If the Japanese should now pause, he conceived, their immobility might be taken as a sign of weakness, and the consequence might be an aggressive

combination of many of the tribes. At this moment, only the Botans and their closest neighbours were known to be in antagonistic alliance. The assault upon the boat's crew of the *Nisshin* appeared to be a minor and independent affair. It was repeatedly recognized that the rashness of unauthorized individuals had brought about at least two of the serious encounters, but that was a fact which could not now be allowed to affect the position. Although no armed demonstration would have been sanctioned on the Japanese side, at this stage, if the aborigines had led off in their own way, there would now be considerable difficulty in keeping the soldiers quiet for any length of time. It had become a question between a regular and organized campaign, which might go far toward finishing the business with a few decisive blows, and a series of desultory excursions by small parties which would be just as likely to produce bad results, as good. The discipline of some followers of the force was rather doubtful, and the control over them was exercised rather by the personal influence of the General than by the application of any strict rule. These were a body of semi-independent volunteers, mostly from Satsuma, and of somewhat superior rank to the members of the regularly enlisted body—ardent seekers after martial fame, who seemed determined to be in the front whenever opportunity offered, and to make opportunities, if such did not arise of themselves in the natural order of events. It did not appear practicable to restrain them within any prescribed lines of

action. There had been no orders, for example, on the 22nd, when they made themselves prominent, to advance beyond the village that was to be disarmed, but it never entered their heads to stop until they had had a sight of the enemy, and so they pushed forward, with or without leaders, as it might be. Then, of course, it was impossible to keep the others back. Many of the volunteers had won the red cap years before—a mark of honourable service in the battle,—and the regulars were in quest of theirs. Under the circumstances, and especially in the difficult and irregular country through which they moved, officers and privates, were, for the time, very nearly upon an equality. Probably it was not in situations like these that the value of the new military training of the Japanese soldiers could be tested. The simplest and oldest-fashioned principles of warfare were the best for this region. For the work which was particularly needed, they had abundance of valour, but they were not too highly gifted with the better part of that quality—discretion. When the Botans rose upon them, on the morning of the 22nd, they had advanced to within thirty feet of the natural barricade that stretched across the river through which they were wading. The first discharge of the enemy was received without the slightest preparation, and then their natural instinct, rather than the recollection of military precepts, led them to the best way out of their difficulty.

"At three o'clock in the afternoon the laborious mountain climbing began. We had

forded a dozen or more streams before we came to a ledge of rock which had to be scaled in genuine Alpine fashion—to walk up it would have been as impossible as to dance a fandango on a Mansert roof—and which marked the entrance to the real Botan and Kusukut possessions. I do not know that any purpose could be served by describing in detail the fatigues of the successive ascents. An idea of their general character may be taken from the fact that a steady upward march of four hours—that is, until sundown, carried us only three miles. At five o'clock we passed over a lofty ridge, overlooking a deep valley, on the other side of which puffs of smoke were seen rising, volleys of musketry being heard at the same time. We had no means of knowing exactly to whom to attribute these demonstrations, but it was obvious enough that some of our friends were concerned in them. Soon after this, we came upon the first of the barricades which the savages had roughly constructed—mainly by felling trees and interlacing their boughs. It was not very difficult to pass through, but if it had been defended, as I suppose there must have been at one time an intention of defending it, the advance would have become an extremely serious matter from that moment. Other obstructions, similar in kind, but far more complicated, followed it in rapid succession.

"Up to this point, the soldiers had marched, necessarily, in single file, but with great alacrity and perseverance. Here, however, they began to slacken a little. According to

all previous calculations we should have reached Botan long before sundown, but now night was falling and we were in the midst of the mountains, surrounded by a stunted wilderness, and with no knowledge of our whereabouts, beyond the general fact that we were somewhere in the heart of Southern Formosa. Finally, close upon seven o'clock, we were confronted by a maze of barricades, compared with which those that had preceded were like the windings of a pleasure ground. The largest trees I had seen on the island, banyans and others, were thrown across the path, in such tangled profusion that to pierce through them was an impossible task. It was the work of almost half an hour to clamber over a single pile of these obstructions, and one was no sooner surmounted than another rose to renew the opposition to our progress. Some efforts were made to cut a way through, but this was entirely impracticable at that hour, and so the exhausted soldiers sat themselves down on such bare spots as they could find, without food or water, to sleep in the centre of an abattis. I doubt if a stranger bivouac has ever been heard of. Most of them—probably all of them—were miserable enough, but, in spite of their discomforts, not a sound of complaint was heard from any source. If they had been surrounded by every luxury they could not have been more cheerful or in brighter humour. Here is the real discipline of the Japanese soldier—that which he himself exercises over his own temper, and which enables him, like his countrymen generally, to show high qualities of endurance and fortitude,

not alone in danger, to which he is constitutionally indifferent, but on occasions of personal distress or of grave anxiety and suspense such as few Western people can meet with equanimity. He is very far from a finished soldier, according to our strict notions of routine and drill, and in times of peace he has his favourite faults, which foreigners are quick to descry and exaggerate, but in his self-denying patience and his ready, hearty, willing spirit, he is often a hero even more than in the reckless daring of his actions."

The small amount of fighting the Japanese were called upon to do was soon accomplished. Most of the tribes came to terms without giving any trouble; and only the "Botans," the tribe which had been guilty of the atrocities that led to the expedition, had to be sought out and fought. All had been concluded, and agreements had been entered into, the tribes binding themselves to act humanely on future occasions of shipwreck, when the Chinese showed symptoms of a change of views. A dispatch was sent from the Tsung-li Yamên to the Japanese which, whilst admitting the correctness of the Japanese Ambassador's report of his understanding as to the proposed Japanese "Mission" to Formosa, declared that the Chinese Government never supposed that it would be accompanied by an armed force. This, of course, was only a quibble. The Chinese Government ordered SHEN PAO-CHEN to go to Formosa, to

adjust the matter with the Japanese Commander-in-chief. On the 21st June two Chinese ships arrived off the place where the Japanese troops were encamped, having on board PAN WI, representing the central government on behalf of SHEN PAO-CHEN, who was ill at Taiwanfu. PAN WI was accompanied by the Taotai of Taiwan, and by two French gentlemen, Messieurs. GIQUEL and DE SEGONZAC, both being in the Chinese Government service. Chinese-like, they proposed to settle the affair in co-operation with the Japanese Commander-in-chief, who told the Chinese that his instructions contemplated no such amalgamation, but that he had simply to punish those who had committed the atrocities and provide future security for shipwrecked people of all nations. He informed the Chinese officials that he had accomplished that duty and neither required, nor could submit, to any co-operations. After a few consultations PAN WI asked: Suppose that the Peking Government would reimburse the Japanese for their outlay, would that meet any of the questions in despute? This led to a definite proposition being made on the 25th June, as follows:—

"The Chinese authorities to reimburse the Japanese for the cost of their expedition.

"The Chinese to guarantee such occupation of the savage territory of Fromosa as should prevent the recurrence of outrages on strangers.

"These conditions effected, the Japanese forces to be withdrawn."

It was then agreed that the Japanese should suspend all active operations until the decision of the respective Governments could be received. In fact, by this time the Japanese Army had concluded their mission, and the savages had been shown that acts of cruelty against shipwrecked persons would not go unpunished, and that their fortresses were no longer unapproachable. General LE GENDRE was sent to Foochow to explain the exact intentions of the Japanese Government to the Viceroy of Fuhkien, under whose jurisdiction Formosa was. Calling in at Amoy, to his amazement General LE GENDRE was seized by the United States Marshal and a party of U.S. Marines, and sent a prisoner to Shanghai, where he was at once released by order of the U.S. Minister at Peking, but to this day no apology or redress has been made for this illegal arrest. But this put an end to his mission to Foochow. A Japanese Ambassador and General LE GENDRE were sent to Peking, which place they reached on the 10th December, where they were joined by M. DE BUISSONADE. Frequent discussions took place between these gentlemen and the Chinese officials. The Chinese were disposed to treat on the basis of the proposal made in Formosa, but they disputed the amount of the indemnity to Japan, and re-

fused to give a written pledge of any kind, although pressed to do so by the Japanese Ambassador, who therefore wrote as follows on 25th October:—

"Now I am quite hopeless and am about to leave. The notice given to you of our intention to punish the aboriginal tribes was set at nought by your Tsungli Yamên, and when we sent a Commissioner with troops to take vengeance upon the tribes that had murdered our shipwrecked people, and to remove the evils which threatened the navigation of those seas, you afforded us no encouragement in our difficult and dangerous task, but affected to be very proud of your merey in not 'shooting an arrow at us.' Under these circumstances, our philanthoropic action, to our lasting regret, has been designated by you by the bad name of a hostile deed, while our undertaking of punishing the savages arose only from the necessity of protecting our own people. Henceforth, inside and back of the mountains, we shall continue to clear land, protecting those tribes which submit to us, and punishing those who oppose us, and shall complete our plan of action; without permitting any molestation on the part of your country. Finally, I have to say that as the present case cannot be decided by arguments, each country must go its own way and exercise its own rights of sovereignty. I do not wish to hear the further explanations and arguments you may have to offer. I am in haste to depart, and cannot go to your Tsungli Yamên to take leave of you."

This communication had the desired effect. General LE GENDRE and some of the suite left the same day, and OKUBO, the Japanese Ambassador, commenced preparations for departure, which seemed to alarm to Chinese Government. Prince KUNG hastened to the British Legation and begged of Mr. WADE, then H.B.M.'s Minister, to act as mediator between the parties. The Chinese no longer hesitated, having the agreement in writing and an offer was made to pay Japan Tls. 100,000 immediately for the families of the murdered Koreans, and the Tls. 400,000 "as indemnity for the various expenses of the expedition," after the troops had been withdrawn. OKUBO insisted that the latter sum should be paid *before* the withdrawal, and further that "the Formosan Expedition must be publicly recognised as just and rightful." On this basis the Articles of Agreement were drawn us as follows:—

"[Preamble.] Whereas, Okubo, High Commissioner, Plenipotentiary of Japan, Sangi, Councillor of State and Secretary of the Interior Department [on the one part,] and [names of Prince Kung and nine other Chinese officials] of the Tsung-li Yamên of China [on the other part,] having discussed the subject of Articles of Agreement and fixed the manner of their settlement; and it having been understood that the subjects of every nation must be duly protected from injury; that therefore every nation may take efficient measures for the security of its subjects; that if anything

(injurious) happen within the limits of any state, that state should undertake the duty of reparation; that the aborigines of Formosa formerly committed outrages upon subjects of Japan; that Japan sent troops for sole purpose of inflicting punishment on these aborigines, and that the troops are to be withdrawn, China assuming the responsibility of measures for the future; therefore, the following Article have been drawn up and agreed upon:

"Art. I.—The present enterprise of Japan is a just and rightful proceeding, to protect her own subjects, and China does not designate it as a wrong action.

"Art. II.—A sum of money shall be given by China for relief to the families of the shipwrecked [Japanese] subjects that were maltreated. Japan has constructed roads and built houses, etc., in that place. China, wishing to have the use of these for herself, agrees to make payment for them. The amount is determined by a special document.

"Art. III.—All the official correspondence hitherto exchanged between the two states shall be returned mutually, and be annulled, to prevent any future misunderstanding. As to the savages, China engages to establish authority, and promises that navigators shall be protected from injury by them."

It was thought desirable by the Japanese Ambassador that the name of Mr. WADE, who had already, on the 3rd October, given a personal pledge that the terms of the settlement should not be altered, should appear in testimony of his knowledge of

China's submission in respect to the question which had been disputed with so much persistency. It was, therefore, made into a Contract as follows:—

"With regard to the question of Formosa, Mr. Wade, H.B.M.'s Minister, having spoken on the subject to the two parties, they, the said Commissioners of the two nations, have arranged for settlement thus: –

"I.—China agrees that she shall pay the sum of one hundred thousand taels, for relief to the families of the subjects of Japan who were murdered.

"II.—China wishes that, after Japan shall have withdrawn her troops, all the roads that have been repaired and all the houses that have built, etc., shall be retained for her use; at the same time consenting to pay the sum of four hundred thousand taels by way of recompense; and it is agreed that Japan shall pay withdraw all her troops, and China shall the whole amount without fail, by the 20th day of December, the seventh year of Meiji, with Japan, or on the 22nd day of the eleventh moon, the thirteenth year of Tung Chi, with China; but, in the event of Japan not withdrawing her troops, China shall not pay the amount.

"This settlement having been concluded, each party has taken one copy of the contract as voucher."

Thus the whole matter was settled and once more Japan boldly held up her head as a leader in the paths of humanity; a fearless

actor in the *rôle* she marked out for herself, in spite of whatsoever influences might be brought to bear against her.

During 1882-91 the most noteworthy event was the attack on Tamsui and Kelung, in 1884-85, by the French naval forces under the command of Admiral COURBET, and, associated with him, Admiral LESPES. The course of events at that time may be summarised as follows:—On the 16th July 1884, the Imperial Commissioner LIU MING-CH'UAN arrived and took command in Formosa. On the 22nd July, the French corvette *Villars* arrived at Kelung and anchored in the inner harbour; on the 2nd August she prevented the landing of material of war but permitted it to proceed to Tamsui. On the 4th August, the French ironclad *La Galissonniere*, bearing the flag of Admiral LESPES, and another ship, arrived at Kelung. The Admiral sent an *aide* to demand the surrender of the forts guarding the harbour, and on this demand being met with a refusal, the ships opened fire at 8 a.m. on the 5th, the fire being immediately returned by the forts. Under the brisk fire of the ships, materially aided by sheltered position of the *Villars*, which enabled her to rake the great-gun fort, the forts were soon silenced and reduced to a heap of ruins. On the 9th, Admiral LESPES considered that he commanded the harbour, though he had obtained no footing on shore.

On the 5th, by order of the Imperial Commissioner, the machinery and works at the Kelung colliery were destroyed, the pits flooded, and the stock of coal at the pits' mouth (about 15,000 tons) was set fire to, in order that the French ships might not find there a well-supplied coaling station. During September the French were engaged in gaining possession of the shore line and of the summits of the hills surrounding the harbour of Kelung. Having gained these, they continued to hold them, but were unable to advance a foot beyond the ravines which lead inland. The Port of Tamsui (Hobei) was blocked by the Chinese on the 4th September, 1884, by sinking ten junks laden with stone across the mouth of the river. The French fleet, under Admiral COURBET, arrived off the port on the 1st October and gave notice that the forts would be bombarded the next day. Firing began at 6.45 a.m., the Chinese Commandant having anticipated by three hours the time fixed by the French Admiral, and continued until 9 p.m., doing much damage to houses and property, but little to the forts. The fleet received small injury, being compelled by the shallow water to remain from three to five miles distance from the forts. On the 8th, the French landed—under the protection of a renewed bombardment—a force of about 800 men, who, after some three hours fighting, were driven back

to their boats. The Chinese Commandant stated that his own force consisted of 1,200 men, of whom he lost 200 in killed and wounded, and that the French lost a large number in wounded and left twenty dead on the field. On the 23rd the French declared a blockade of the whole of Formosa except the east coast. On the 1st November the Chinese made an unsuccessful attempt to retake Kelung. The blockade was continued through the winter, but no further assault was made on Tamsui. On the 7th March the French forces from Kelung defeated the Chinese at Yüeh-mei-ling, inflicting the loss of 1,000 men. The blockade of Tamsui was raised on the 16th April 1885, and the French fleet left the same day, the definite Treaty of Peace having been signed at Tientsin on the 9th June. Kelung and the Pescadores were thereupon evacuated by the French naval forces under Admiral LESPES, Admiral COURBET having meantime died. During the armistice, which lasted from the raising of the blockade until the Treaty of Peace was signed, it is worthy of note that the Chinese authorities vigorously respected the terms of the preliminary agreement not to import troops or munitions of war, though the action of the Chinese in prohibiting as contraband the import of lead declared to be for tea-packing purposes met with a vigorous protest from the foreign

merchants interested. During the war the Chinese forces in North Formosa were estimated at 50,000 men; reinforcements and funds were received from time to time in Government steamers which ran the blockade. Their loss in battle and from disease was very heavy, and on the conclusion of peace the French handed over 880 prisoners who had been captured from time to time.

At the southern end of Formosa preparations were made at Takow to resist any attack that might be made by the French. During the summer of 1884 troops were collected in the port and in its vicinity, and on Saracen Head a fort was built, in which, on 11th August, two heavy guns were mounted. During September much apprehension of hostilities was felt, many natives left for the mainland, and treasure and valuables were shipped away for safety. The families of foreigners were also sent across the channel. In October an attempt was made to block the entrance of the harbour by sinking stone-laden junks. The junks mostly broke up as they sunk, and then stones were simply thrown into the water; but at the end of the month there was still a depth of 18 feet. On the 15th October a French man-of-war appeared off Anping. On the 17th another arrived off Takow, and that night the light on Saracen Head was extinguished by the military authorities. On the 23rd news of the

effective blockade of the Formosa ports from that date was brought to the port by the British man-of-war *Champion*. Three days were allowed for vessels to leave. The only foreign vessel in this port was the British s.s. *Pingon*, and she left for Foochow on the 26th. On the 25th five shots were fired from the Saracen Head fort at the French gun-boat *Lutin*. She was not struck, and did not reply. On the 2nd November the Chinese revenue steamer *Feiho* was seized by the French outside Anping. On the 26th the exhibition of the Anping light was discontinued by order of the Taot'ai. During November the work of obstructing the entrance of the harbour was continued, and at the close of the month there were only 9 to 12 feet of water. On the 1st December the light at the South Cape ceased to be exhibited. French vessels were not seen outside Takow or Anping after the 15th December, and the blockade became a mere paper one; yet no foreign vessels visited the port. Junks, however, ran the blockade all the time, and in the beginning a few were sunk by the French. Freights were high, and vessels which reached port safely made money. They brought a considerable amount of opium, of which the price at one time reached $1,000 a chest. The blockading squadron, after an absence of three weeks, reappeared at Anping on the 5th January 1885, and the

next day two of them went to Takow. They immediately began vigorous proceedings against Native craft, sinking or burning every vessel they could. On the 7th the French sent ashore the notification of a new blockade of the coast from Ta-chia to the South Cape, commencing on that day, adding that the original blockade had been provisionally raised. The sinking, burning, and destroying of junks was kept up throughout the month, and the coast was soon cleared of sails during daylight, but some vessels managed to run in safely during the night. The amount of destruction during the first few days after the return of the French, and before the junks from the mainland had been apprised of the renewal of the blockade, was very great, and the coast was strewn with wreckage for weeks. Vessel after vessel ran straight into the arms of the French, and all met the same fate. On the 17th, eight junks from Amoy arrived off Anping, of which seven were sunk, one only escaping into port. The value of the property destroyed on this occasion was reckoned at $100,000. As the state of affairs became known at the Pescadores and on the mainland, junkmen became more cautious, and either waited for better times or ran across at night to Pu-tai-tsui, a place north of Anping, or to Takow. As only three men-of-war kept the blockade of the southern half

of the coast, two being generally anchored off Anping, it was comparatively easy to run in during darkness. The blockade was closely maintained during February. On the 28th March five French ships—two ironclads, two cruisers, and a troopship—rendezvoused off Anping, and left in company, going north, the same afternoon. The next day heavy firing was heard at Anping and Takow for several hours. On the 31st the news of the taking of the Pescadore forts by the French was brought by junk. The distance the sound of the guns travelled to reach Takow was 65 miles. After the 28th no more blockading ships were seen. The German schooner *Faugh Balaugh* put in at Takow on the 28th and offered to take freight, but the captain asked far too high rates, and she left empty. On the 11th April the s.s. *Pingon* was captured by a French cruiser near the South Cape. On the 15th the British s.s. *Amatista*, now the Chinese revenue steamer *Pingching*, arrived from Amoy, and brought Admiral COURBET'S notification of the signing of an armistice between China and France. The Saracen Head light was re-lit on the 27th April, the Anping light on the 28th, and the South Cape light on the 1st May. Strong tides had washed away most of the obstruction at the entrance of the harbour, and at the end of April there was a depth in the shallowest part of 11 feet 6 inches at low water. In

May an address, signed by all the foreign residents, was presented to the Taotai, LIU AO, through the British Consul, thanking him for his effective protection of foreigners during the blockade.

Upon the cessation of the French operations, Governor LIU MING-CH'UAN turned his attention, with a view of re-habilitating trade and the development of the resources of his new island province, to the creation of Kelung as the commercial port, first of the north and eventually the whole of Formosa.

Kelung possesses a spacious and sheltered sea harbour, available for even the largest ships; whereas the entrances to the ports of Tamsui, Anping, and Takow are obstructed by bars only passable at high tide and in calm weather, and then only by vessels of light draught. With the object of making it a shipping port, a line connecting Taipei, and its adjacent tea and camphor market, with Kelung was started in June, 1887, and rapidly pushed on, while a beginning was made of southern extension, which would connect Tainan, the southern trade mart, with Taipei, and so with the port of Kelung. The work on the railway, though designed and arranged by foreign engineers employed for that purpose by the Governor, was executed by soldiers, under officers quite without experience in such matters, who yet interfered to such an extent with the original designs—

sometimes with, and sometimes without, the permission of the Governor—that during the first two years there were as many as five changes of the head engineer. Owing to these obstructions, the Taipei-Kelung line, which presented otherwise few engineering difficulties, progressed slowly, and by the end of 1888 trains were running for a distance of only 8 miles from Taipei. For this, the first railway ride obtainable in the island, a return fare of 10 cents was charged; the tickets in use at first were some postage stamps sent out from England for the use of the newly-established Government Post Office, which, being found unsuited to that purpose, were diverted to this kindred, but somewhat anomalous, use. But afterwards tickets were supplied by the *Shanghai Mercury* Office. In the following year (1889) progress was even slower, and at its close the line had been completed as far only as Suitingka, about half-way to Kelung, four trains running daily each way. The chief difficulty —that offered by the narrow range of hills surrounding Kelung—still remained, and it was not until the end of 1890 that this obstacle was overcome by tunnelling, an unsuccessful attempt having been made by the General in charge of the troops engaged on the work to substitute a cutting for the original design; but even then, though trains ran, usually three times a day, between Taipei and Niaka, a distance of only 2 miles

from Kelung, they were not allowed to go through the tunnel. Now, however, trains run through to the present terminus, only a few yards beyond the Kelung end of the tunnel, and the line is continued about a mile further, to a wharf on the shore of the harbour. Here, probably, will be the future terminus, though at present the train remains at the last station, the engine only running down to the wharf, where there is a work-shed and a water tank. The entire line from Taipei to the present terminus is 18¼ miles, the extension to the wharf bringing it up to about 20 miles.

Meanwhile the southern line has progressed even more slowly, though, when once the initial difficulty of bridging the Tamsui River was overcome, all was smooth going. The river has to be crossed about a mile from the start, a little below Twatutia; it is here about ¼ mile wide, with a good stream, and as it is liable to freshets, following the heavy rain-storms which are so frequent in Formosa, the foreign engineers advised an iron bridge. This, however, the Governor objected to, on the score of expense; and a Cantonese contractor at last succeeded in building a substantial wooden bridge, which was opened in August 1889, and serves also as a foot communication between the two banks of the river. At the north bank it has a swing span, which is opened at intervals for junks and the larger

up-country boats to pass through. By the end of the year about 10 miles of this line had been laid, though not open to traffic, and trains now run as far as Tiongleck (Chung-li), about 20 miles from Taipei. The line is graded and ready for ballasting for about 10 miles further, as far as Teckcham (Hsin-chu), whence the best tea and camphor districts may be tapped. The development of Kelung did not find favour at Peking, where it was thought that this port, provided with wharves and docks, a good coal supply, and steam communication with the interior, might prove too irresistible a temptation to nations on the look-out for coaling stations in the China seas. Arrangements have not, therefore, so far been made for running the trains direct to the wharf, nor for the erection of godowns to receive goods intended for shipment, and since the railway is not yet sufficiently reliable for shippers to entrust to it such valuable articles as tea and camphor, none has, as yet, been sent there, nor do steamers visit Kelung for any other purpose than to load coal. Even of this fuel there is now a small supply, owing to the exhaustion of the Government colliery, though an equally rich mine is said to exist at Nuan-nuan, a place quite close to Kelung, the opening of which is said to be deferred only by the probable large cost of the undertaking. The income of the province having, as noted elsewhere, been materially reduced by

the withdrawal of the former subsidy from Fuhkien, economy is now the order of the day; and it is to be feared that the measures recently adopted by the railway authorities in discharging all the foreign engineers on the line except one, and in replacing even the foreign engine-drivers by Natives, who have very little practical acquaintance with the work, are not culculated to secure either the safety and regularity of the present line or its extension to the south. It is, in fact, rumoured that it is not the intention to complete the road beyond Teckcham (Hsin-chu) for the present.

The uniting of North and South Formosa by a land-line between Taipei and Tainan was completed in 1888, and its connection with the mainland and the world in general by means of a cable from Tamsui to Sharp Peak, at the mouth of the Min River, in Fuhkien, which was inaugurated in the same year, as was also a small cable between Tainan and the Pescadores, thus bringing that military outpost into direct communication with head-quarters. There is still a Danish electrician in charge of the cables and telegraph lines generally, but the efficiency of the telegraph ship, on which the repair of the cables depends, has been much impaired by the discharge of her foreign captain, engineers, and officers—again prompted by the necessity for economy adverted to above, —and their replacement by a Chinese cap-

tain and crew quite inexperienced in the special work necessitated by the searching for and repairing of a broken marine cable.

In 1885 Governor LIU determined to reconstruct Taipei and make it the temporary capital until, the railway having on its way to Taiwan reached the old town of Chang-hua, in about the middle of Formosa, he should build a city near that place and make it, under the name of Taiwan, the capital of the province of Taiwan. He thereupon constructed the city wall of Taipei, re-arranging the gates and streets, and built himself a new yamên inside the walls. This he fitted with electric light, under the superintendence of the Danish electrician already mentioned, the principal streets being also lighted by electricity. After a few months' trial, the light was, however, found to be too expensive, and was discontinued, with the exception of that in the Governor's yamên, which is still used.

In 1888 the extensive ground along the river bank, in front of the foreign houses at Twatutia, was filled in and bunded by Chinese capitalists, and is now for the most part covered with buildings, prominent among which is a commodious foreign club, the rest being chiefly connected with the firing and packing of tea. The road leading from Twatutia to Taipei, also the roads in the city itself, having been much improved, Governor LIU introduced jinricshas, and after

running them at his own expense for a short time as an experiment, handed them over to the coolies (chiefly old soldiers or retainers), in whose hand they have remained since. The supply has apparently not been renewed, and the vehicles have assumed such an air of decrepitude as to make foreigners avoid them except under pressing circumstances, though the Chinese appreciate them greatly.

In March 1888 the telegraph line between Tainan and Taipei was opened. The work of laying the line was begun on the 26th January of the same year. Takow and Tainan-fu were connected by wire as early as 1877; so, with the new line to the north, this port has been since 1888 in telegraphic communication with the rest of the world *viâ* Tamsui and Foochow, between which two places lies a cable. It would appear, however, that the telegraph has not been an unmixed blessing to foreign merchants. The local sugar dealers use it to learn the price of sugar in the Foreign markets, and only sell at a price which allows but a minimum profit to the foreigner. In October 1887, a cable had been laid from Anping to Dome Bay, in the Pescadores, by the newly-purchased cable steamer *Feicheu*. This is a military and strategic line merely, and of no use to commerce, though during the south-west monsoon season the coasting steamers, when taking shelter in Ma-kung Bay, some-

times cable to Anping to inquire the state of the bar there. If this cable were continued across to the mainland it would be an advantage to South Formosa, for during the summer the land-line between Tainan and Taipei is continually interrupted by damage from storms and floods.

TAMSUI.

We will now give a review of the trade during 1882-91 according to the report of Mr. H. B. MORSE, Commissioner of Customs:—

The following table will show the imports of cotton goods at intervals during the decade, together with the percentage which the quality of each kind bears to the total quantity imported, taking the picul as equivalent to 12 pieces, and Japanese Cotton Cloth as equivalent to half a piece of European-woven cloth:—


13
8
7
7
7
8
9
5
1
17
ANCHORAGE LIMIT.

Description.	Classifier. of Quantity.	1882 Quantity.	1882 Per Cent.	1885. Quantity.	1885. Per Cent.	188[illegible]. Quantity.	188[illegible]. Per Cent	1891. Quantity.	1891. Per Cent.
Grey Shirtings...	*Pieces.*	31,315	37.2	48,940	28.8	40,139	30.4	28,173	26
White ,, ...	,,	32,312	38.4	58,158	34.3	52,460	39.9	65,345	44.7
T-Cloths	,,	6,064	7.2	22,835	13.4	4,890	3.6	5,150	3.5
Japanese Cotton Cloth.....	,,	540	0.3	23,874	7.1	26,852	10.1	34,159	11.7
Assorted Cottons.	,,	9,464	11.2	9,900	5.9	12,506	9.5	8,805	6
Cotton Yarn	*Piculs.*	260	3.8	606	4.3	392	3.6	780	6.4
Native Cloth.....	,,	129	1.9	871	6.2	318	2.9	212	1.7

It will be observed that Grey Shirtings, while increasing somewhat in quantity, have fallen off in the proportion their import bears to the whole; White Shirtings have gained what the other has lost. Of the total value of Cotton Goods, these two kinds represented together 84 per cent. in 1882 and 83 per cent. in 1891. In the yearly days of the port Grey Shirtings supplied nearly the whole of the import of Cotton Goods, the figures in 1868 being 24,065 out of a total import of 30,030 pieces. In the course of years the import showed no signs of falling off, but tended to increase slightly; the percentage to the whole fell, however, from 80 per cent. in 1868 to 37 per cent. in 1882 and 26 per cent. in 1891. The cause of this is not far to seek: the deterioration that has been observable in their quality prevents them from being used for garments by the poorer classes, who call for a stout, serviceable fabric, such as is supplied by their Native Cloth; and the demand of the well-to-do is met by tissues for finer make, such as White Shirtings and Dyed and Printed Cottons among Foreign goods, and Silk and Grassclothamong Native products. White Shirtings show a marked and progressive increase; from 2,550 pieces, or 8 per cent. of the whole, in 1868, they had increased to 32,312 pieces in 1882, and further increased to 65,345 pieces in 1891, then constituting 45 per cent. of the quantity and 55 per cent. of the value of all Cotton imports. *T*-Cloths reached their highest rate of import in 1880, and in 1887 nearly reached the same level with an import of 11,880 pieces. In the last years of the decade a general average of about 5,000 pieces was

imported, which may be put down as about the quantity required for tea bags. A formidable rival to both Foreign Shirtings and *T*-Cloths and Native Nankeens has come to the front in the last decade, in the shape of Japanese Cotton Cloth, imports of which have risen from nothing in 1880 to 34,159 pieces in 1891. The Japanese mills have set to work in the right way. Instead of supplying a fabric unmistakeably foreign in appearance, loaded up with chalk and size to present a glossy surface, and of dimensions quite unfitted to the needs of users, they have offered an exact imitation of the Native hand-woven cloth, unbleached, with a coarse texture, and of dimensions adapted to the use for which it is required and to the habits of the users. This Cloth comes in lengths of 12 yards, 18 inches wide, and is laid down in Tamsui at a cost of about Hk. Tls. 0.25 a piece. The bulk of the import of Japanese Cotton Cloth is made up of this variety, but another kind is imported—a cotton crape, either with or without a coloured stripe, which is in demand for those who seek a finer texture; this Cloth, in lengths of 13½ yards, 20 inches wide, is laid down here at Hk.Tls. 0.80 to Hk. Tls. 0.90 a piece, and displaces both superior Cotton fabrics and Grasscloth. Cotton Yarn has taken no strong hold in Formosa, there being but little home weaving; from 260 piculs in 1882 the import rose, with some fluctuation, to 780 piculs in 1891, valued at Hk. Tls. 13,602, all being of Indian spinning.

Woollens maintain their level fairly well. From a total of 6,763 pieces of all kinds,

valued at Hk.Tls. 56,099, in 1882, the import increased to 7,081 pieces, valued at Hk.Tls. 58,633, in 1891, or practically the same amount as in the former year. About the same quantity of each kind was imported in 1891 as in 1882, and there is no need for special remark on the trade in Woollens, which are required in this mild climate chiefly for show.

In Metals the only item which demands attention is Lead, brought in for linings to tea chests. From an import of 7,205 piculs in 1882, the quantity rose to a maximum of 13,923 piculs in 1889, and subsequently declined to 10,288 piculs in 1891. It is probable that in 1889 there was a temporary demand for Lead for other purposes than Tea packing, since we find that in the other years of the decade its import follows fairly closely the export figures for Tea; and the present Tea export, of about 130,000 piculs, should call for an import of 10,000 to 11,000 piculs of Lead to line the chests in which the Tea is packed.

Kerosene Oil Imports during the ten years were as follows:—

Description.	1882.	1883.	1884.	1885.	1886.
	Gallons.	*Gallons.*	*Gallons.*	*Gallons*	*Gallons*
American	8,000	6,008	34,900	131,430	250,750
Russian	...	...	...	...	...
Total...	8,000	6,008	34 900	131,430	250,750

Description.	1887.	1888.	1889.	1890.	1891..
	Gallons.	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons*
American	323,740	344,170	476,190	819,045	84 ,420
Russian	...	...	122,500	15,000	39,000
Total...	323,740	314.170	598,690	861,045	884,420

Starting from small beginnings in the first years of the decade, the import of Kerosene steadily advanced until in 1891 its value was *Hk.Tls.* 106,700, which was 12 per cent. of the value of Foreign goods, Opium excluded, imported during the year. American Oil held the market up to 1889 ; in that year an attempt was made to introduce the Russian product on a large scale. The attempt does not appear to have been a success, as imports fell off in the two following years ; but now (1892) there are indications that the low price of Russian Oil has had its natural effect in China of opening a way for it to the Formosan markets.

Matches, never of any but Japanese make, were imported during the decade in the following quantities :—

1882.	1883.	1884.	1885.	1886.
Gross.	*Gross.*	*Gross.*	*Gross.*	*Gross.*
18,699	21,070	15,236	25,721	42,006
1887.	1888.	1889.	1890.	1891.
Gross.	*Gross.*	*Gross.*	*Gross.*	*Gross.*
61,900	92,203	86,594	124,204	116,700

Nankeens, Grasscloth, and Silk Piece Goods are the Native competitors of Foreign Piece Goods, Cotton and Woollen. The value of the import of these goods in 1882 was Hk.Tls. 94,267, or 45 per cent. of the value of Foreign Cottons and Woollens imported in the same year, most of the value (Hk.Tls. 74,260) being made up by Grasscloth. In 1887 the value of Native tissues had risen to Hk.Tls. 147,056, being Hk.Tls. 16,335 for Nankeens (Cotton), Hk.Tls. 65,418 for Grasscloth (Rhea), and Hk.Tls. 65,303 for Silks ; the total value was

42 per cent. of the 1887 value of Foreign Cottons and Woollens. In 1891 the value of Nankeens had declined to Hk.Tls. 6,973, of Grasscloth to Hk.Tls. 23,531, and of Silks to Hk.Tls, 55,860, making a total of Hk.Tls. 86,364, which was only 27 per cent. of the Foreign product. It must not be supposed, however, that this proves that the Foreign tissues are displacing their Native rivals. Until we can get at the amounts carried in by junk we have no means of ascertaining the actual consumption of home-woven cloth. It is known that large quantities of Nankeens find their way in by junk, it is probable that considerable quantities of Grasscloth come in the same way, and it is not unlikely that some Silks are also introduced by junk to avoid the payment of Customs Duty; but no means are at hand for finding out what these quantities are.

Rice was in former years exported from Formosa in large quantities, mainly, of course, by junk. Even now the movement inward or outward of this bulky commodity is effected to a large degree in Native craft; but it is probable that the import or export by Foreign shipping will afford a fair criterion of the trade during the past 10 years. 30 years ago the arable land of North Formosa was chiefly devoted to the growth of Rice, and, as a consequence, there was always a large surplus available for exportation. Since that time the population of cities has increased, large numbers of Tea-growers have occupied the upland, a numerous body of Tea sorters and packers come annually, and there is a large permanent garrison, in-

creased occasionally for special needs. This large increase in the number of Rice consumers who do not produce their own food has resulted in establishing, in an average of years, a good home market for all home grown Rice; and of late years, not only is there no surplus for export, but there is at times a deficiency which has to be made good by imports from the mainland. The following figures show the net import of Rice and Beans by Foreign ships during the past ten years :—

Description.	1882.	1883.	1884.	1885.	1886.
	Piculs.	*Piculs.*	*Piculs.*	*Piculs.*	*Piculs.*
Rice.....	66,028	198	...	...	1,525
Beans	16,739	3,957	4,237	5,432	8,823

Description.	1887.	1888.	1889.	1890.	1891.
	Piculs.	*Piculs.*	*Piculs.*	*Piculs.*	*Piculs.*
Rice.....	67,731	46,164	16,371	45,988	44,662
Beans	15,230	9,983	7,557	9,681	15,334

The years up to 1872 were years of export, the quantity shipped in Foreign bottoms being 83,317 piculs in 1870, 77,918 piculs in 1871, and 23,926 piculs in 1872. From 1873 to 1881 was a stationary period, the home crop, so far as shown in our Returns of the trade, just sufficing for the home market, but leaving no margin for export. The years 1882 to 1891 were, as has been shown, a period of import. Even in 1884 and 1885, in which our Returns show neither import nor export, it is pretty certain that supplies came in by junks before and after the blockade (October 1884 to April 1885). In 1885 Rice certainly came in, as the market price ruled higher than at any other time during the decade. As I write this report, Formosa has again begun to ship from its surplus, and in the first half of 1892 exports exceed imports

at the rate of 30,000 piculs a year; whether this is a temporary spasm, or indicates that the area of production has overtaken the home consumption, must remain for the future to decide.

In the commerce of Tamsui the factor of prime importance is the Export trade, and particularly exports of Tea. During the 10 years the value of the Export trade exceeded that of the Import trade by over 50 per cent., and to the Exports (of which the total uncorrected value in the 10 years 1882-91 was Hk.Tls. 29,713,764) Tea contributed 94 per cent.; Camphor, 1½ per cent.; and Coal, 2 per cent. Other Exports were insignificant in number, amount, and value. Tamsui, though now exporting about 135,000 piculs of Tea in the year, has no independent standing in the Tea market. On the one hand, while the Tea is produced here (Tamsui export was in 1891 nearly six times the Amoy original export), the Tea merchants have their head offices in Amoy, and the market is made there; and, on the other, Formosa Oolong is not drunk unmixed, but is used for blending with other Teas, Chinese or Japanese. Of the total export it is estimated that 90 per cent. goes to America, 7 per cent. to Great Britain, and 3 per cent., of superior quality, to the Straits Settlements. The history of the Tamsui Tea trade during the 10 years may be summarised as follows:—

1882 (export, 90,303 piculs; value, Hk.Tls. 26 60 a picul).—The crop was deficient, owing to a mild winter and want of rain in June and July. Native packers bought recklessly and,

though adding 25 to 30 per cent. of dust and broken leaf, suffered serious loss.

1883 (export, 99,050 piculs; value, Hk.Tls. 22.57 a picul).—The quality at opening was, on the whole, a little better than in 1882, especially in the higher grades; second crop not good; autumn pickings at first bad, but later pickings fully equal to 1882 leaf. Tea-packing hongs were a third less in number than in 1882, owing to losses sustained, and profits were good.

1884 (export, 98,674 piculs; value, Hk. Tls. 23.60 a picul).—The market opened at high rates, which were not warranted by rates ruling in Amoy. Early in May a decline in prices reported from New York brought prices down here, and buying proceeded briskly. Losses on the first shipments again checked business, which was resumed in August. The port was blockaded from 2nd October, and shipments absolutely stopped from 23rd October, with the result that 25,000 half-chests were left in stock here, besides large quantities unpacked reported as being in the planters' hands. On the whole, the season resulted unfavourably to both Chinese packers and Foreign shippers. The Native packing-houses increased from 50 in 1883 to 80 in 1884.

1885 (export, 122,730 piculs; value, Hk. Tls. 22.10 a picul).—A large stock was left over from 1884, which was free to leave the port on the raising of the blockade on 16th April. The new Teas were thin and flavourless, and continued inferior until the end of May, when a general improvement in the quality

was observable. The Native packers are said to have realised enormous profits on their shipments to Amoy, reducing *pro tanto* the profit accruing to the Foreign shippers at Amoy.

1886 (export, 121,287 piculs; value, Hk.Tls. 27 48 a picul).—New Teas, of quality below the average, were offered at excessive prices, but late May pickings were considered the best ever seen. The absence of rain and the excessive heat prevented the proper development of summer leaf, but autumn pickings were abundant and of fair average quality. Prices ruled high through the year, and both Chinese and Foreign local buyers are said to have suffered ruinous loss.

1887 (export, 126,442 piculs; value, Hk.Tls. 25.99 a picul).—With an inferior first crop and a dull market in America, the season opened under unfavourable conditions. In June, however, a large business was done. Shipments continued in smaller quantities until early in December, when much briskness was shown. Growers profited from the high prices given, while Foreign shippers are said to have profited but slightly, and Native packers suffered loss.

1888 (export, 135,741 piculs; value, Hk.Tls. 21.47 a picul).—The market opened with poor leaf at high prices. After May, however, both quality and price improved for the buyer, and the market continued brisk to the end of the year. More dust was observed among the leaf than in former years. The results to buyers and growers are said to have been most remunerative.

1889 (export, 130,708 piculs; value, Hk. Tls. 21.98 a picul).—The market opened late and, notwithstanding a bad market in America, prices ruled high, with a quality inferior to former seasons' spring pickings. After the middle of June prices fell to a more reasonable figure, but quality did not improve. An attempt was made to deal with the question of undue admixture of dust, and rules with that purpose in view were framed by the Amoy Chamber of Commerce; but so numerous were infractions of the rules that some relaxation had to be permitted.

1890 (export, 128,629 piculs; value, Hk. Tls. 23,98 a picul).—The spring crops were somewhat short owing to excessive rains, but later pickings gave fully the average quantity, The lower grades were of fair quality, but there was a scarcity of "fully superior" to "choice" grades. Prices ruled high, notwithstanding the rise in exchange, which would make the laying-down price in New York still higher; and Native buyers, unwilling to face a loss, were left with an unsold stock in Amoy of about 80,000 half-chests (over 25,000 piculs) at the end of the year.

1891 (export, 135,753 piculs; value, Hk. Tls. 20 a picul).—Again complainants were made of deficient quality, the first and second pickings, usually the best, being flat and flavourless. Though prices were low, the year's dealings were said to have resulted in heavy losses all round.

As a result of diminished quantity and depreciated quality of Teas exported from

other districts on the mainland, attention was turned to Formosa as a field on which experiment was permissible; and in 1890 a Tea expert from Ceylon visited the island, to try the possibility of establishing the Tea growing, firing, and packing system prevailing in India, on the assumption that methods which had so largely developed the Tea industry in India could not fail to retard the decay of the China Tea trade. The proposal made was that the Government should grant a large tract of Crown land (say 1,000 acres) for the purpose; that the management should be under the joint control of the expert and an official deputy; and that both the Government and the promoters should share in the profit, if any. The plan had first been proposed for the Black Tea districts of the mainland; having been negatived there, it was thought that a new province, with large tracts of unopened land, offered a more promising field. It was found, however, that, whatever had been the fortune of packers and shippers, the growers in this district were well satisfied with the prices received and the quantities disposed of by them; and the boldness of the promoters of the plan, in trying to retrieve the fallen fortunes of China Tea by coming to a district from which greater supplies were sent year by year, at prices amply remunerating the producers, brought on the project a fate worse than its desert. Another reason given for the rejection of the proposals was the fear lest Formosa Tea, being converted into Congou by the Indian methods of preparation, and being

thus brought to a level in competition with the mass of Teas from the mainland of China, from India, and from Ceylon, should thereby lose the distinguished position it occupies as Oolong, and cease to command the high prices now obtained for it on the American market.

Camphor has gradually risen to such prominence that in 1891 the value of the export constituted two-thirds of the Export value, Tea excluded, of the port. Since in this commodity, as in Tea, Formosa finds its sole rival in Japan, a few words should be said regarding it. When the Chinese cut down a tree, no attention is paid to replacing it; the result is that Camphor is obtained only from the virgin forest in the mountains adjoining, or in the territory held by the aborigines not under Chinese municipal control. The attitude of the Government toward the Camphor trade cannot be better described than in the words of Dr. Hirth (Tamsui Trade Report for 1891), as follows:—"The provincial government hold that the Camphor forests, reclaimed by warfare from the savages and brought under cultivation at Government expense, are the property of the Crown, and that if, instead of utilising the natural resources of such Crown lands under official administration, they permit Chinese settlers [and traders] to do so, this can only be done on conditions the framing of which rests with the Government." Acting on this principle, the Government declared both Camphor and Camphor-wood to be a Government monopoly from the early days of the conquest of the island;

and it was not until 1868 that regulations were made by the Taiwan Taotai, and approved by the Tsungli Yamên, under which traffic in the article was permitted to private dealers. The annual average of export in the three years 1865-67, being 7,102 piculs, was doubled in the three years 1868-70, when the annual average was 14,240 piculs. Exports were then fairly well mantained until 1880, when they amounted to 12,335 piculs. From that time they fell off year by year, until in 1885 they amounted only to 3 piculs. An aggressive attitude on the part of the savages, and the firing of the forests on the border of Chinese, territory in order to compel the savages to withdraw, are assigned as the reasons for this temporary extinction of the trade. After the troubles connected with the French war were at an end, the Government was at liberty to attend more carefully to the state of its inland possessions; and some degree of success having followed the military operations among the mountains, densely wooded districts were brought within safe reach of the distillers. The finances of the province being disorganised after the war and the expenses of the Government being heavy, Camphor produced from districts subjected by force of arms was again declared to be a Government monopoly, and was sold only through Government offices. The official price in 1889 was $13 a picul, a rate which left a very small margin of profit to the provincial treasury. In 1890 a demand arose for Camphor, to be used in the manufacture of smokeless powder, celluloid, fireworks, etc., and the market price rose to

about twice its former rate. This enabled the Government to make a new arrangement, still as a monopoly, by which the price paid to it was fixed at $30 a picul, of which about $12 was paid to the distiller and for cost of transport, leaving about $18 as gross revenue for the treasury. At the beginning of 1891 the monopoly plan was abandoned, and for it was substituted an excise tax, payable monthly upon a license issued to each camphor still, yielding to the treasury about $9 on each picul distilled, while, in addition, Transit Dues (or Likin) of Hk.Tls. 0.375 ($0.57) a picul became payable on transport to the port of shipment. At the same time purchasers were forbidden to go to the producing district, four inland markets being designated where Camphor might be bought; this restriction was removed at the end of 1891. In the years 1887-89 an annual average of 2,992 picul of Camphor was exported; this rose to 6,483 piculs under the higher-priced monopoly in 1890, and to 16,761 piculs under the taxed but unristricted trade of 1891. This last figure is the highest recorded export in any year since the opening of the port, and there is no reason to doubt that, at the present rate of demand, and with peace restored in the producing districts, Formosa could easily supply an annual total of 20,000 piculs, at the lowest estimate.

Coal from the Kelung mines opened the decade with an export of 42,202 tons in 1882; this fell off in the following two years and, after the destruction of the Government pits, in August 1884, the export in 1885 was only

5,767 tons. Later on the workings were restored; but by the end of 1891 it was found that the Pa-tou pits had been exhausted, and work at the Government mine was thereupon abandoned. The export in 1891 was 27,950 tons; but it is not likely that exports in the immediate future, which will be entirely from small private pits, will reach 10,000 tons a year. No decision has yet been reached on the question of opening a new Government mine at Nuan-nuan, which offers a better field than Pa-tou for coal workings.

Sulphur has been an article of export here during the last five years only. The ample supplies to be obtained from the exhalations from the volcanic region constituting the extreme northern tip of Formosa were formerly neglected for purposes of trade. An attempt to ship a quantity on Government account by Government steamer, made in 1879, is refered to in Mr. W. Lay's Report on Trade for that year; but it was not until 1887 that an organised effort was made to derive profit from this monopoly, which the Chinese authorities rightly guard so jealously in all the provinces. In that year an official bureau was opened for the sale to properly constituted authorities of the Sulphur which passes through its hands as guardian of the monopoly. Collection and preparation of the Sulphur is free. The collectors bring it to the official depots, and are then paid at a fixed rate, which has been recently raised to $1.40 (say, Hk.Tls. 0.90) a picul; further handing of the article is only permitted under Government license, a special permit being issued by the official bureau to accom-

pany each shipment. When this plan was started, exports opened with 3,360 piculs in 1887; this quantity was doubled in 1891. Accepting our value as the value obtained for the article, and allowing a certain quantity for provincial military uses, it is probable that the treasury now derives a gross profit of at least Hk.Tls. 20,000 a year from the development of this monopoly.

The Transit privilege for Native produce outwards has been availed of almost entirely for Camphor; Tea is invariably re-fired and packed at Twatutia, and the last barrier being at that place, Likin is levied on it at a rate stated to be $2.40 (Hk.Tls. 1.60) a picul. Camphor was finally freed from the monopoly restrictions in 1869, and in 1870 large quantities came down from the interior under Outward Transit Pass; this continued, with steadily decreasing quantities, until 1881. The decade 1882-91 opened with no Transit trade, and it was only after the abandonment of the revived monopoly that, in 1891, the privilege again came into use; in that year 10,782 piculs came down under Transit Pass out of a total export of 16,761 piculs, leaving 5,979 piculs which paid Likin and were shipped under Likin receipts.

The Inward Transit trade in Foreign goods depends on a peculiar interpretation of the provincial revenue laws. In Formosa Likin is collected on all Native produce outwards (Export Duty), but no Likin inwards (Import Duty) is collected, except (nominally) on Opium. In this way the inwards junk and boat traffic being exempt from all dues, there

is no *raison d'être* for an Inward Transit traffic. In 1890, however, it was reasonably enough decided that Foreign goods originally imported at Tamsui, and shipped thence by Native boat to a point on the coast, were, unless the original import was certified to, Exports *qua* Tamsui, liable to Export Duty and Imports free of Duty *qua* the coast port of destination. It is to avoid the dues leviable under this decision that the Inward Transit traffic, really a coasting trade in Native craft to non-Treaty ports, has grown up here. In 1890 the value of certificated Foreign goods was Hk.Tls. 8,355, of which Kerosene Oil (53,640 gallons) stood for Hk.Tls. 7,989; in 1891 this value has risen to Hk.Tls. 28,802, Kerosene Oil (160,480 gallons) representing Hk.Tls. 20,960. The number of Transit Passes issued was 38 in 1890 and 204 in 1891.

The most striking feature in the trade of this district during the past decade has been the great development of wants among the people, as exemplified by the number of articles included in our Returns. No less than 16 kinds of Cotton Goods have been added to the 1881 list of 20 kinds, the additions including, among others, the following items: four kinds of Dyed and Printed Calico and Twill (1891 import, 1,265 pieces), Plain and Figured Cotton Lastings and Italians, Dimities, Towels (1891 import, 5,052 dozens), etc. During the decade there have been added, of Woollens, five kinds; of Miscellaneous Piece Goods, three kinds; and of Metals, 18 kinds. In 1881, among Foreign Sundries there were 24 items of

sufficient importance to be enumerated, besides Unenumerated Sundries of a value of Hk Tls. 9,450; in 1891 the enumerated items were 72 in number, with unenumerated of a value of Hk.Tls. 15,273. The actual additions to our Returns' entries of Sundries were 61 in number, and to these might almost be added Kerosene Oil, which increased from 3,490 gallons in 1881 to 884,420 gallons in 1891. The additions to Native Imports were no less marked, being 62 in number during the 10 years, probably representing to some extent a diversion of traffic from junks to steamers. Exports are marked by the disappearance of a few articles which in 1881 contributed Hk.Tls. 765 to the value of the Export trade, and by the addition of other articles (16) which contributed Hk.Tls. 21,612 to the Export trade of 1891. The most important among the additions were the following, the figures representing the quantity exported in 1891:—Cow and Buffalo Horns 180 piculs, value Hk Tls. 1,099; Sulphur (first exported in 1887), 694 piculs, value Hk.Tls. 19,717. The limited variety in the Export list of this port will strike the most casual observer. The three items of Tea, Camphor, and Coal absorbed in 1891 over 98 per cent. of the value of Exports; and the undoubted richness of producing power in the island seems hardly to have been touched by Foreign commerce, the Export list in 1891 being made up of only 19 enumerated articles.

The increase in the value of the trade of the port may be gauged by the following figures:—

	1882.	1891.	Increase.
Value of gross Imports ...	1,485,310	2,251,188	765,878
Value of gross Exports	2,533,413*	3,101,366†	567,953
Value of Re-exports	36,306	51,880	15,574
Total	4,055,029	5,404,434	1,349,405

*Including 90.808 piculs of Tea, Hk.Tls. 26.60 a picul.
† „ 185,755 „ „ „ 20 „

The Revenue increased in the ten years from 1882 to 1991 by 123 per cent., and the Duties (deducting Opium Likin included in 1891 figures) by 63 per cent. Of the actual increase, Hk.Tls. 352,815 (or deducting Opium Likin, Hk.Tls. 178,262), an increase of Hk. Tls. 113,624 is provided by Export Duty on increased shipments of Tea, and Hk.Tls. 37,798 by increased Opium Import Duty.

Duty collected on the Import trade, excluding Opium, increased from Hk.Tls. 18,238 in 1883 to Hk.Tls. 33,796 in 1891—a large percentage of increase, but distressingly small in its amount, a circumstance to be attributed to competition with Duty and Likin free Imports by junk. Opium Duty increased from Hk Tls. 22,662 in 1883 to Hk.Tls. 65,465 in 1891, an increase to be attributed to the fact that at the former period much Opium was received on which Duty had been paid at other ports; the opening of the Customs bonded warehouse for the storage of Opium at Tamsui has diverted the collection of this Duty to the port

at which the Opium is consumed. Correcting the Opium Import Duty figures by inclusion of the sums paid at other ports on drug consumed here, the Revenue collected on the Import trade of the port increased from Hk.Tls. 56,338 in 1883 to Hk.Tls. 99,252 in 1891. Opium Likin increased from Hk.Tls. 131,281 in 1887 to Hk.Tls. 174,553 in 1891.

The Export trade of the port contributed 82 per cent. to the Revenue in 1882 and 77 per cent. to the total of Duties (Opium Likin excluded) in 1891; the apparent falling off is due to the fact that the total in 1882 was less by Duties collected elsewhere on Opium arriving Duty paid. As in the case of values, Tea supplies nearly the whole of the Export Duties, contributing Hk.Tls. 225,758 out of Hk.Tls. 234,552 in 1882, and Hk.Tls. 339,382 out of Hk.Tls. 357,525 in 1891. In the latter year, of Hk.Tls. 18,143 Export Duty on goods other than Tea, Hk.Tls. 12,571 were paid on Camphor and Hk.Tls. 2,795 on Coal, leaving only Hk.Tls. 2,777 collected on sundries.

The following table shows the increase in the Revenue of the port by annual average at intervals from 1863 to 1891:—

	1863-65.	1868-70.	1873-75.	1878-80.	1883-85.	1889-92.
	Hk.Tls.	Hk.Tls.	Hk.Tls.	Hk.Tls.	Hk.Tls.	Hk.Tls.
General Import Duties	1,172	3,530	9,580	21,521	19,971	30,157
,, Export Duties	17,814	40,676	91,685	225,514	271,168	341,423
,, Coast Trade Duties	1,629	399	556	1,636	1,922	3,881
Opium Duties	19 504	21,999	31,629	36,018	27,808	61,382
Tonnage Dues	834	1,107	1,186	2,366	1,634	2,296
Transit Dues	...	...	1,022	179	6	1,645
Opium Likin	...	...	...	...	...	163,655
Total	4 ,953	67,711	135,608	287,234	322,510	6 4,440

Importations of Foreign Opium barely reached at the end of the decade the figures given for the end of the previous decade. Imports attained a summit level about 1881; in 1882 a sharp falling off was observed, which continued through the next four years, and it was not until 1887 that a slight reaction was visible; in 1888 the increase became more marked, and has been well sustained in the later years of the decade. Mr. Fisher, in his Trade Report for 1882, explains the marked decrease in that year, the first of diminished import, as follows :—

1.—The erection of a Likin barrier at Ta-chia (大甲) has cut off a district now (1882) supplied from Taiwan-fu (Tainan), formerly supplied from Tamsui, to the extent of 300 piculs.

2.—"Opium has long been imported for re-exportation in junks to the mainland; the Likin here having been raised, this trade has almost ceased."

3.—"There has been an increased importation of Native drug. It would be well could I say 'short import means less smoking.' It is not so; the habit is as general [in 1882] as in 1868."

No further light is thrown on the subject in later Trade Reports from this district, and the above may be taken as the reasons which those on the spot at the time found it possible to adduce in explanation of a decrease which was only too noticeable. The first explanation, the erection of a Likin barrier across the island at Ta-chia and the consequent abstrac-

tion of a district from Tamsui supply, is not conclusive: the barrier, established in 1881, was removed in 1883, and Tamsui import did not increase, but continued to decrease; and imports at Tainan (Takow) also began to fall off from 1882, the decrease continuing in subsequent years *pari passu* with Tamsui, thus showing that the causes which affected this district affected also the southern district. The second reason given may be true, but I have seen no reference to the fact elsewhere, and it is not obvious that Opium, having paid the lighter Likin tax here, would thereby have escaped taxation in the provinces on the mainland; and a reference to the Customs Gazettes shows that in the years 1879-81 there was no such quarterly distribution, according to the monsoon, as would be expected between two distributing ports lying one at the north and the other at the south end of the island. There remains the third season assigned, the probable increase in Native Opium import, and in this, I fear, must be found, to some extent, the true explanation. It is a known fact that Native drug comes by junk from Wenchow and T'ung-an (in the Ch'üan-chou prefecture of Fuhkien), but in what quantities is not known—even hearsay evidence as to the quantity that pays Likin and rumour as to the quantity that evades it are wanting Still, notwithstanding the absence of precise information on the subject, there is no doubt that considerable quantities of Native drug find their way into the province, to be used in in blending with the Foreign product. The Wenchow Trade Report for 1882 contains the

following sentence:—"The very favourable harvest of Native Opium has also contributed in a certain measure to the falling off in the importation [at Wenchow] of the Foreign drug." The Report from the same port in 1883 says:—"There are no reliable data for estimating accurately the present annual production of Opium in this prefecture, but 3,500 piculs will not, I consider, be very far off the mark; what is not consumed locally [over 2,000 piculs available] is exported by junks, principally to the northern part of Formosa." The Report for 1888 says:—"Two reasons explain the more extensive trade which has been carried on in this article [Foreign Opium] during the year: (1°) the short crop of the Native Opium. . . . . In consequence of a long-continued drought, followed by torrential rains, in the early part of 1888, only one-third of an average crop of Native Opium was harvested by the farmers. The price of Native Opium, which ruled at about $200 a picul, rapidly rose to $500, and under these circumstances the Foreign drug found a ready market—the more so as Foreign Opium when boiled yields about 70 per cent., whilst the Native drug only yields about 50 per cent., of its weight. . . . . A considerable trade in Native Opium formerly carried on between this port and Formosa and places on the coast of this province and Fuhkien came to a standstill in consequence of the high prices of the drug." To these reports from Wenchow I cannot add similar reports of the T'ung-an crops. Glancing at the tables of import of

Foreign Opium by steamer into Tamsul, it will be seen that the import fell off 25 per cent. from 1881 figures in 1882 and a further 15 per cent. in 1883, and that it did not again reach 1882 figures until 1886 (the year of the institution of simultaneous collection of Duty and Likin) did not exceed 1882 figures (within a few odd piculs) until 1888, and did not reach the 1881 import until 1891. Collating these figures with the above extracts from the Wenchow Trade Reports, written at one of the sources of supply, the inference seems obvious that the deficiency from 1882 to 1887 inclusive was made out by increased supplies of Native Opium; and, further, it is probable that the amount by which the import of Foreign Opium has not increased since 1881—since which time the resident population has increased largely, while the military forces, who are large consumers of the drug, have certainly reduced—has also been supplied by increased quantities of the cheaper native drug. No accurate statement can be made as to the quantity of Native Opium annually imported, and the only course possible is to make deduction from inference. Between the annual average of the three years 1879-81 and the annual average for 1882-84 there was a difference of 722 piculs (1884 was less than 1881 by 878 piculs), this quantity, of 722 piculs, may be assumed to have been replaced by Native drug. It is in the highest degree improbable that there was prior to 1882 no import of Native drug for the purpose of blending with Foreign; and making due allowance for this, and for the demand by a population

which has rapidly increased in number it would seem fair to infer that the lowest figure which can be put for the import of Native Opium is 1,000 piculs a year, while in some years it must rise as high as 1,500 piculs; and the import into all Formosa is probably at least twice these amounts.

A startling fact connected with the Opium statistics for the period now under review, and one having a marked bearing on the recent anti-Opium agitation, as showing that producing countries not under the British flag are not only ready to supply the field in the future, but have made considerable advance in their supplies in the past, is the continuous decrease in the import of Indian Opium and the equally continuous increase in Persian drug. In "Persian" is included the formerly so-called Turkish; while, as insignificant quantities of Malwa were imported, "Indian" means the Government monopoly product of Bengal (Patna and Benares) Opium, the actual import being almost entirely Benares. The following table shows the average annual import of Foreign Opium into the port of Tamsui at intervals during the past 20 years:—

DECADE 1872-81.

Descriptions.	First 3 Years.		Whole Period.		Last 3 Years.	
	Quantity.		Quantity.		Quantity.	
	Piculs.	%	Piculs.	%	Piculs.	%
Indian.....	1,454	90.8	1,517	81.7	1,680	78.1
Persian	148	9.2	341	18.3	470	21.9
TOTAL	1,602	...	1,858	...	2,150	...

DECADE 1882-91.

Descriptions.	First 8 Years. Quantity. Piculs.	%	Whole Period. Quantity. Piculs.	%	Last 8 Years. Quantity. Piculs.	%
Indian ...	659	46.2	489	27.8	356	16.7
Persian...	769	53.8	1,272	72.2	1,779	83.3
Total...	1,428	...	1,761	...	2,135	...

From this table it will be seen that the importation of Indian Opium fell from an annual average 20 years ago of 91 per cent. of the whole import to a present annual average of under 17 per cent.; while Persian imports rose in the same period from 9 per cent. to 83 per cent. This feature in the history of Opium was not confined to the northern portion of the island, as will be seen from the following table of the average annual import of Foreign Opium into all Formosa during the same period of twenty years:—

DECADE 1872-81.

Descriptions.	First 8 Years. Quantity. Piculs.	%	Whole Period. Quantity. Piculs.	%	Last 8 Years. Quantity. Piculs.	%
Indian ...	3,267	85.5	3,359	70.2	3,596	61.9
Persian...	553	14.5	1,427	29.8	2,214	38.1
Total...	3,820	...	4,786	...	5,810	...

DECADE 1882-91.

Descriptions.	First 8 Years. Quantity. Piculs.	%	Whole Period. Quantity. Piculs.	%	Last 8 Years. Quantity. Piculs.	%
Indian ...	1,536	36.3	1,162	25.4	832	15.6
Persian...	2,691	63.7	3,413	74.6	4,500	84.4
Total...	4,227	...	4,575	...	5,332	...

Two reasons are assigned for preference shown in Formosa for the Persian product. One is given in the Takow (Tainan) Trade Report for 1883 in the following words:—"Many reasons are assigned for the growing preference shown to Turkey Opium, but the real fact is, it is essier to adulterate, and the shopkeepers prefer it for that reason; and poor people prefer it, as they can smoke the ashes over and over again—four orfive times,—which makes it come economical to them." The other reason, of at least equal weight, is found in the Tamsui Trade Report for 1885, given by Mr. Faragó, as follows:—"There are, of course, various circumstances serving to explain this: the simplest of all is the value and the quantity of smokeable matter obtained from each after decoction. Out of a picul of Benares, free from the husk, only about 60 catties of juice are obtainable; Turkey yields 70 to 80 catties. The former is made up in large round cakes, much too costly for the poor smoker's purse to buy; the latter is prepared in small balls, both handy and inexpensive for purchasers. Benares, however, is decidedly superior in flavour, and, as such, will constantly find favour with the richer classes. Turkey, on the other hand, has many defects; it is first of all too heating, a quality which curtails its enjoyment in hot weather, and it is well known for the unpleasant odour its smoke produces. Smokers, however, maintain that Turkey Opium has of late undergone considerable improvement, and that it does not bear any comparison now with what it used to be." Between two reasons, then, viz.,

facility of blending (or adulterating), and convenience and economy of smaller balls, lies the probable explanation of the change in demand. The average price ranged as follows during the 10 years, the quotations being per picul of Crude Opium, as sold in the market :—

DESCRIPTION.

	1882.	1883.	1884.	1885.	1886.
	Hk.Tls.	Hk.Tls.	Hk Tls.	Hk.Tls.	Hk.Tls.
Patna...	...	450	446	520	5 1
Benares	354	422	462	538	503
Persian.	409	3 5	478	482	462

DESCRIPTION.

	1887.	1888.	1889.	1890.	1891.
	Hk Tls.	Hk.Tls.	Hk.Tls.	Hk.Tls.	Hk.Tls.
Patna...	...	...	...	...	370
Benares	446	403	413	381	360
Persian.	480	508	459	463	338

As this port is not concerned in Foreign exchange—its staple product, tea, being financed at Amoy,—I give no table showing the equivalent value of the Haikwan tael in sterling. The following table shows the exchange of the Haikwan tael of silver into copper cash, together with the per-centage of good large cash entering into the exchange : –

	1882.	1883.	1884.	1885.	1886.
1 Haikwan tael equal cash....	2,000	2,000	2,150	2,300	2,460
Per-centage of good cash ...	50	50	40	30	28

	1887.	1888.	1889.	1890.	1891.
1 Haikwan teal equal cash....	2,610	2,770	2,840	1,550	1,690
Per-centage of good cash ...	20	15	10	70	60

The copper cash current in this province are the worst in the Empire, Formosa being in this respect, as in others, the dumping-ground of China; and by 1889 the quality had become so bad that scarcely 10 per cent. would be considered good cash in other marts. Much of this decadence was doubtless due to the introduction of a large garrison of troops, dating from the first reports of prospective trouble with France, which came to a head in 1884. In other provinces the customary debasing of the currency for the benefit of the troops is effected by introducing a special official scale for weighing the tael of silver; but in Formosa, with its dollar standard, it appears to have been done by introducing copper cash of a decidedly inferior kind. The debased currency occasioned great distress among day-labourers, whose wages are paid in cash, and petty traders, who sell their commodities for copper cash; and in the third month of 1891 the Governor issued a proclamation prohibiting the use of counterfeit and irregular coinage, which had the effect of raising the quality of the cash, the number exchanged for a tael falling in due proportion.

Of articles whose price is affected by the world's markets, a Haikwan tael buys as much as formerly, quite irrespective of the course of sterling exchange. Thus, in the statistics of trade tea is assigned a value for the three years 1883-85 at an average of Hk.Tls. 22.76, and for the three years 1889-91 at an average of Hk.Tls. 21.99, a picul with a tendency dowards. In articles which make up the living expenses of the people there has been, on the contrary, a

rise in price. This is, I think, a state of things peculiar to Formosa, where a considerable increase in the population and the addition of a large garrison have produced a condition which has led to the extinction of the export trade in food supplies from this island, the former "granary of the Empire."

The total uncorrected (or local market) value of the trade of Tamsui during the 10 years 1882-91 is made up as follows:—

	Hk.Tls.	Hk.Tls.
Value to consumers of opium imported	7,820,456	
Value to consumers of general goods imported	11,852,146	
		19,672,602
Value to local dealers of tea exported	27,884,180	
Value to local dealers of general goods exported	1,829,584	
		29,713,764

This statement serves to show how considerable a part of the Import trade is supplied by opium, and how much the Export trade is made up by tea, the value of which contributed nearly 94 per cent. to the 10 years' Export values. It does not, however, show the buying and selling power of the port, *i.e.*, the sums which must be paid in goods or cash, for Tamsui's Imports, and the sums which must be received, in goods or cash, for Tamsui's Exports; to show this, the values must be reduced to a common standard of the value at moment of landing and shipping respectively, as follows:—

	Hk.Tls.	Hk.Tls.
Imports from Foreign ports	13,443,634	
Imports from home ports...	6,228,968	
	19,672,601	
Less Re-exports	362,349	
	19,310,253	
Deduct Import Duties and Likin paid	1,509,590	
	17,800,663	
Deduct 7 per cant. for charges, etc.	1,246,046	
CORRECTED VALUE OF IMPORTS IN 10 YEARS		16,554,617
Exports to Foreign ports...	791,557	
,, ,, home ports ...	28,559,858	
	29,351,415	
Add Export Duty paid ...	3,045,980	
	32,397,395	
Add 8 per cent. of value for charges, etc.... ...	2,348,113	
CORRECTED VALUE OF EXPORTS IN 10 YEARS		34,745,508
EXCESS OF EXPORTS OVER IMPORTS ...		18,190,891
Deduct excess provided for by remittances of treasure—import, Hk. Tls. 11,487,601, *minus* export, Hk. Tls. 2,522,447 : excess of import ...		8,965,154
DIFFERENCE NOT PROVIDED FOR		9,225,737

Nearly a million taels a year—or, making due allowance for Formosa gold dust which leaves the island without inclusion in our Returns, and for the earnings taken away in the pockets of the thousands of tea-sorters, who arrive penniless in the spring and return to their homes in the autumn with six months' net earnings in cash, says fully a million taels a year,—to be provided for by the net import of goods or treasure through sources not under the control of the Foreign Customs. As practically all of the war material, and material for railway, bridge, fort and other construction, imported during the period, came under our cognizance, there would seem to be only two sources from which this sum could be supplied. Government treasure imported in Government vessels would form one source of supply: but it is not probable that imports from the mainland of official funds or of Government stores by channels which do not come under our congnizance would reach an annual average of a quarter of a Million of taels. The balance will probably be found to be supplied by the net inward junk trade, *i.e.*, the excess value of imports over exports by junk. Tea, Camphor, and coal absorb 98 per cent. of the value of exports by Foreign ship (including sailing vessels loading coal), as shown by the 10 years' statistics; tea and camphor are not shipped by the junk; and then remain to make up export cargoes for junks from the northern end of Formosa only coal and sundries contributing 2 per cent. to the Foreign shipping trade. Therefore, the net is but little less than the gross import

value by junk, and in the absence of any authentic information on the subject, the value of the inward junk trade may be between three-quarters of a million and a million taels annually.

The population of this district has made great strides during the decade. The statistics of the passenger traffic show that 21,436 more passengers arrived than departed by steamers; but as this takes no account of the extensive junk traffic, it can be regarded as only an indication of the increase that has been going on. The creation of Taipei, the rapid growth of Twatutia, and the maintenance by banks of its former population have given birth to a commercial emporium, practically within one boundary, of at least 100,000 population. With all this, the area of cultivation has extended, and with the large influx of gold diggers brought in to work the gold placers recently re-discovered, it is probable that the population of Taipei prefecture has increased by at least a third. The number of troops in the island 10 years ago is not ascertainable; on the war footing in 1884-85 they are said to have been 50,000; and their number is now stated at 20,000, *viz.*, 16,000 for active service, and 4,000 for guards retinues, etc.

Statistics of trade by Native craft are always difficult of access, and the time at my disposal has been too short for me to acquire much information on the junk trade of this district. It is estimated that about 400 sea-going junks enter Hobei (Tamsui) each year, of which, approximately, 100 are large junks,

of 3,000 to 5,000 piculs (200 to 300 tons) capacity, and 300 are smaller craft, of 1,000 to 2,000 piculs capacity; entries at Kelung and the other small coast ports would probably bring this to a total of 700 entries in the prefecture. If this estimate is correct, the junk tonnage entering at all the ports in North Formosa is about equal to the Foreign tonnage entered at the port of Tamsui in 1891. A census was taken of the junks in the Hobei anchorage on a given days; they were 13 in number, and their place of *provenance* and lading inward were as follows:—

Ch'üan-chou (five):—
Bricks (one).
Joss paper (five).
Vermicelli (five).
Cotton cloth (two).
Pigs (one).

Wenchow (three):—
Pigs (three).
Tobacco (three).
Umbrellas (one).
Alum (one).

Ningpo (three):—
Cotton cloth (three).
Ground-nut oil „

Foochow (one):—
Poles.
Paper.
Vermicelli.

Amoy (one):—
Cotton cloth.
Chinaware.
Pottery.

These 13 junks declared their next destination and proposed lading outwards to be as follows:—

Ch'uan-chou (six:—
Coal (six).
Hemp (three).

Amoy (one):—
Coal.
Timber.

Foochow (one):—
Coal.
Hemp.

Ningpo (three):—
Sugar (two).
Indigo (three).
Hemp (one).

Wenchow (two):—
Ballast (two).

The 10 years now reviewed have seen a great increase in the quantity of work to be attended to by the Customs staff. Except the simultaneous collection of Opium Duty and Likin, instituted in 1886, there have been no great changes here in Customs regulations, but the volume of work has increased to not far from double what it was in 1882. The following figures will give an idea of this increase :—

	1882.	1891.
Value of gross trade. Hk.Tls.	4,055,029	5,404,434
Total tonnage entered and cleared...*Tons*	117,535	188,123

Taking the 1891 export of tea at the value per picul in 1882, the value of the trade of 1891 would have been Hk.Tls. 6,302,741, an increase of 55 per cent. in 10 years; while, as shown above, the tonnage increased 60 per cent. Further, a reference to section (*b.*) of this Report shows that the number of articles traded in has nearly doubled since 1882, and the increase has been chiefly in the line of sundries not specified in the Tariff, entailing extra work on the examining, Duty-levying, and satistical departments. With this increase in work of between 50 and 100 per cent., the Foreign staff remains at about the same strengt as at the beginning of the decade, except that one additional Examiner has been provided for opium bonding and labelling work; the Chinese clerical staff has been doubled in that time.

Up to arrival of Liu Ming-ch'uan as Imperial Commissioner in July 1884, Formosa was only a prefecture of the province of

Fuhkien, dependent in all matters—political, military, and financial—on the Fuhkien authorities, and constituting a sort of place of banishment to which subordinate officials, who must be provided with places but were unfitted for responsible administrative work, might be relegated. As an offset against the evils of this system of government, Formosa was fortunate in having practically free trade in merchandise carried by Native craft and in being exempt from many of the forms of taxation which oppress the resident on the mainland. The attack on the island by the French in 1884 attracted the attention of the Imperial Government to its strategic importance and the danger of leaving it under a government of weak responsibility and slight power of initiative; and the arrival of Liu, while keeping it for the time nominally subject to Fuhkien, really, in the urgency of the war crisis, placed it under the absolute authority of the Imperial Commissioner, an authority limited only by his responsibility to the Central Government. Formosa, having been safely carried through the stress of war, could not, obviously, return to her former condition of a dependent prefecture and her previous weak government and defenceless state; and in 1887 an Imperial Decree constituted the island an independent province, subject to the general control of the Governor General, formerly of Fuhkien-Chehkiang, now of Fuhkien-Chehkiang-Taiwan. The Customs establishments, which up to that date had been under the superintendence of the Tartar

General at Foochow, were placed under the local Governor, as Superintendent, from the 109th financial quarter (beginning 1st December 1887). The Imperial Commissioner Liu was appointed the first Governor of the new province, which post he held until his departure in June 1891.

The prefectural city of Taipei has been built within the past 10 years, and is now the temporary capital of the province. It is proposed to build near the old town of Chang-hau, in order to form the new city of Taiwan, which, situated in the middle of the island, will then be the perminent capital.

Previous to the erection of Formosa into a province there were taxes imposed only on opium, camphor and tea, further receipts being obtained from the land tax and salt gabelle, supplemented by an annual grant, stated to be Tls. 440,000, from Fuhkien provincial treasury. With the additional expense attending the new administration and the improved defences of the island, further sources of revenue became necessary; and in 1886 the collection of Lakin on home prodects shipped outwards was instituted, Imports (opium excepted) remaining exempt from this tax. As tea and camphor, the principal products of North Formosa, had been taxed before, the new order of things made little difference to this district, until it was decided that Foreign Imports leaving the Treaty port for a port on the coast were liable to Likin as exports. This created such opposition that the plan was dropped for a time, but it was subsequently revived, and the tax is collected on all merchandise leaving a

port water-borne outwards. The contribution from the Fuhkien treasury was continued until 1891 ; it then ceased, and Formosa is now dependent on its own resources for the cost of its own government and for the special expenses to which it is liable in virtue of its insular position.

The only Protestant society represented in North Formosa is the Canadian Presbyterian Mission ; of this Rev. G. L. Mackay, D.D., has been the head for many years, his being the only " white face " engaged in the work. Dr. Mackay's method is to work by means of his converts, and to make his native churches as far as possible self-supporting. During the year 1891, besides erecting chapels and maintaining in repair those already existing, the Native Christians of this mission contributed a sum of $10 in cash for mission expenses. The following figures show the strength of the mission at the end of 1891 :—

Number of preaching stations			60
" chapels built at stations			50
" (Native) preachers			52
" " students			30
" " bible-women			24
" Church members	Chinese	784	2,605
	aborigines	1,821	
" adherents			4,000
" pupils in (boys' and girls') schools			150

This is the work of one man.

No report of this decade would be complete without some reference, however brief, to Liu

Ming-ch'uan, the great Proconsul, who threw himself into the breach to save Formosa for China, and, having saved it, proceeded, against all obstacles, political as well as financial, to reorganise its disordered state and to make some beginning in developing its great natural resources. Appointed Imperial Commissioner with the most ample powers, he arrived in the island on the 16th July 1884. Two weeks later the French forces appeared and made their attack, fully expecting that Formosa would fall an easy prey; they found, however, that their opponents had been re-enforced by one man, a man with a head and a will. No sooner had the first gun been fired than Commissioner Lui proceeded to Kelung and assumed control. It was by his order that the machinery and stocks of coal at the Government colliery were destroyed—a bold step for a Chinese official, responsible for the outcome of all his acts; and from first to last it was Liu who hemmed the French in at their posts at Kelung and prevented them from gaining a foothold at Tamsui. When peace was restored, he took took up several projects intended to encourage the industrial development of the island; and the railway constructed from Taipei to Kelung in the east, and projected from Taipei to Tainan in the south, will remain as his noblest monument. He also worked for the protection of his province, having armed several modern forts of the best design with heavy guns of English and German make, and established at Taipei an arsenal for the manufacture of munitions of war. When he left, in June 1891, the general feeling was that in losing

Commissioner Liu Formosa lost a part of itself.

Mr. H. B. Morse, closes his report, dated 31st December, on the future prospects of Tamsui, as follows :—Space forbids me to do more than refer in the briefest possible way to the future of this port. Before the favourite plan of the late Governor Liu—to convert the sea anchorage of Kelung into the shipping port, instead of the river anchorage of Tamsui (Hobei)—can be carried out, great improvements will have to be made in the means of access to Kelung. The railway is supposed to supply this ; but those in charge have not yet been able to give a regular train service for passengers or goods, and until this is done, and sufficient cargo is assured, tea steamers will not begin to call at Kelung to load tea for San Francisco and Vancouver. There seems to be no present design of making any change in the management of the railway, and the prospect of Tamsui being displaced by Kelung in the immediate future may be dismissed.

Imports are restricted in their amount to an extent probably gauged by the competition of the junk trade. If the necessities of the treasury lead the government to impose taxes. (whether Duty or Likin) on Imports by junk, which are now exempt, it is probable that Imports by steamer will increase, especially in the line of Native products from the mainland. Other increase must be looked for chiefly from the increased demand of a rapidly growing population.

Exports will, it is to be hoped, increase even more rapidly than they have in the past. Tea may be expected to show no falling off; its Foreign competitor is not India, but Japan, tea, and with reasonable care in preparation and reasonable honesty in packing there is no reason why Formosa Oolong should lose its present safe position. Camphor, too, may be expected to continue to contribute its mite to our Export values; while it is, on the other hand, not unlikely that Kelung may lose its position as a coal-shipping port, as vessels will not go there if they have to wait, as at present, for supplies to dribble in to make up a cargo.

The wealth of Formosa in miscellaneous products has hardly been touched, and therein lies a great field for further developement. I need only allude to one product to indicate the future possibilities of the district. Fibres, classified in our Returns under the generic heads of Hemp and Hemp Skin, were exported in 1872 to the extent of 960 piculs; in 1882, of 407 piculs; and in 1891, of 2,106 piculs. This takes no account of the large quantities shipped by junk, but it is probable that shipments by these craft have increased correspondingly. I give here at least the known-fibre-yielding plants of North Formosa, given to me by Mr. A. Hosie, British Consul at this port:—

1. *Bœhmeria nevea.*—Rhea, ramie, or China grass.

2. *Corchorus Capsularis* (蔴皮).—The so-called hemp skin, really Indian jute.

3. *Yüeh-T'ao.*—(月桃草).—The so-called wild hemp skin, supplying from its stems, by pounding with mallets and washing in water, a fibre resembling jute.

4. *Musa textilis.*—Banana, the Manila fibre.

5. *Ananas sativa.*—Pineapple, chiefly grown in South Formosa. Fibre obtained from the leaf.

6. *Pandanus odoratissimus.*—Wild pineapple. The fibre is principally obtained from the suckers thrown down from the stem.

7. *Broussonetia papyrifera.*—Paper mulberry.

8. *Juncus effesus.*—Rush.

9. Tyka rush, used in weaving the noted Formosan sleeping mats.

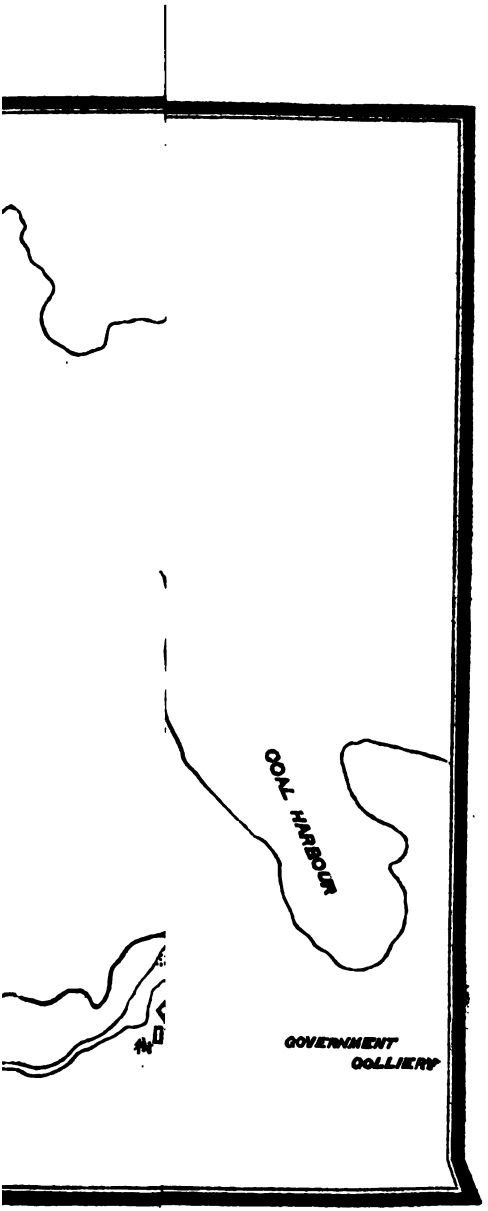
10. *Chamœrops excelsa.*—Fan palm. Fibre surrounding trunk used in weaving rain-coat.

11. *Agave Itxli.*—Henequen or sisal.

12. *Sterculia platanifolia.*

13. *Pueraria Thunbergiana.*

There are doutless other plants of commercial value which are either to be found growing wild in the mountain districts or are capable of profitable cultivation, such as the tallow tree and castor-oil bean, which grow profusely; tobacco would probably grow well here; and other industries might be developed or introduced, if only the country were more thickly settled. The scanty number of inhabitants is the only obstacle to the development of Formosa's great wealth of vegetable and mineral products.


COAL HARBOUR
GOVERNMENT
COLLIERY

TAINAN.

In the term Tainan are included the port of Takow and its outport, Anping. Takow is situated on the west coast of the island of Formosa, in longitude 120° 16′ 0″ E., and latitude 22° 36′ 14″ N., or, as compared to the mainland, a little south of Canton. It lies on the edge of a lagoon, the entrance to which is through a chasm some 70 yards wide, with Ape Hill, 1,100 feet high, to the north, and Saracen Head (so named, probably, after the surveying ship *Saracen*), a a bluff about 173 feet high, to the south. Anping is some 30 miles to the north of Takow, at the mouth of a small river, and about 4 miles distant from the prefectural city of Tainan. Tainan (Takow and Anping) is the port for the southern half of the island, and was opened to foreign trade by the 11th Article of the Tientsin Treaty of 1858 between China and Great Britain, though business did not begin at the port before the 1st January 1865. The country immediately surrounding the port is flat, except for a few isolated volcanic hills, of which Ape Hill is the highest. The flatness is succeeded by an undulating country and low hills, which, at some 30 miles from Takow, change into lofty precipitous mountains. These mountains extend all along the eastern part of the island from north to south, leaving a plain between them and the sea on the west

varying in width from a few miles in the south and north to 50 miles in the centre. At the southern extremity of the island the mountains extend to the edge of the sea. 60 miles to the north-east of Takow lie the Pescadores, a large group of islands, and 15 miles to the south of Takow is the small island of Lambay. The island of Botel Tobago lies about 40 miles to the east of the South Cape, and further north is the small island of Samasana. Produce from the interior is conveyed in bullock carts either direct to this port or to a minor port, to be brought on in small Native craft by sea. In the case of goods going into the interior the mode of conveyance is the same. The carts are clumsy, with huge solid wooden wheels, which, as they turn on wooden axle-trees, make an excruciating noise. In winter —the dry weather season—the roads on the plain are deep in dust, while in summer—the wet season—they become seas of mud, and traffic has sometimes to be suspended altogether. The various small rivers which run into the sea on the west are too shallow for navigation, except by very small boats for short distances.

During the last 10 years the chief events in the history of Formosa were: in 1884-85, the blockade of the western coast by the French fleet, with attempts to gain a footing in the north of the island; in 1885, the bombardment and capture of the forts at Ma-kung, in the Pescadores, by the French; and in the same year, the change in the form of government, by which the islands became a province administered by a Governor. The

most important occurrences in the local history of this port were: the establishment of a harbour light at Anping in January 1882, of a lighthouse at the South Cape in April 1883, and of a harbour light on Saracen Head, at Takow, in November 1883; the building of a fort on Saracen Head in 1884, and of another on Ape Hill in 1889; the establishment of a Government postal system on foreign lines in 1883; the erection of a line of telegraph from Taiwan to Taipei in March 1888; the survey for a railway from the city of Tainan to Takow in 1889; and, lastly, the establishment of a bonded warehouse for opium at Anping in 1887 and Takow in 1890.

A good harbour for the southern division of island has been a recognised want, and it has been often pointed out that Takow could easily and at comparatively small expense be made into a first-rate harbour by dredging and by building a breakwater to the south of the entrance. In 1878 and 1879 the matter was taken up in earnest by the local officials, and plans, with estimates, were prepared, when, unfortunately, the Taotai of Taiwan died and the matter was dropped. By the appointment, in 1885, of His Excellency Liu Ming-ch'uan to the Governorship it was hoped that the island would benefit in many ways, and that this port would share in the improvements to be introduced by an energetic and enlightened ruler. Unfortunately, so far as the south is concerned, matters are now in as backward a condition as ever, if the introduction of the telegraph be excepted, and traders have to put up with the inconveniences, dangers,

and delay entailed by ships loading and discharging in open roadsteads. In former years the foreign merchants resided at Takow, merely making occasional visits to Tainanfu or Anping on business; but now, owing to the proximity of Anping to the prefectural city, practically the whole of the import trade is done there, as well as a large portion of the export trade, and the steamer which runs regularly from Hongkong *via* Swatow and Amoy makes it its terminus. The merchants have, in consequence, for more than 10 years made Anping their head-quarters, paying occasional visits to Takow during the sugar season, to attend to to their shipments, or to look after ships to their consignment. At Takow steamers anchor outside the bar, their cargo being sent out to them in Native boats. Sailing ships sometimes enter the harbour, though there is not sufficient water on the bar to enable them to re-cross fully laden, and they have to complete loading in the roadstead. The bar is a constantly shifting sand-bank, and boats drawing from 5 to 6 feet of water are often only able to cross about the time of high water. Owing to its sandy nature, it is doubtful if much could be done to improve matters. Ships lie outside, a mile or so distant from the Settlement, exposed to heavy seas during the south-west monsoon season. In fine weather cargo-boats ply between Anping and the anchorage; but in rough weather the Native catamaran, made of bamboos lashed together, with a tub on the top for the passenger to sit in, is the only craft able to cross the broken water on the bar.

The result is that constantly during the summer the working of cargo has to be suspended. At such times steamers have been obliged to run over to the Pecadores for shelter, or, when short of stores, water, or coal, owing to the unexpected detention, have had to go to Amoy for fresh supplies. Such are the circumstances under which trade in South Formosa has to be carried on for about five months in the year, whereby much money, time, and temper are lost. From November to June, during the north-east monsoon season, the Anping Bar is, as a rule, practicable for bcargo-boats. Just to the north of Anping sand-anks extend far out to the west, affording shelter to the anchorage, so that the sea is seldom too rough for ships to work cargo.

In the month of May 1886 the system of charging Likin on Native produce was introduced into the island by the Governor. Imports remained untaxed, except Foreign opium, which had been taxed for some years—Patna and Benares at the rate of Hk.Tls. 120 a chest, and Persian at Hk.Tls. 100 a chest. The decision to levy Likin caused great dissatisfaction, and merchants, both Native and Foreign, strongly protested. They feared that the increased taxation would make the export of sugar unprofitable, and, as the opium imported was chiefly paid for with sugar, that the opium business would fall off. On the 5th June the British Consul notified the Foreign community of the new arrangement, that the Likin on sugar candy was fixed at $0.50 a picul; on white sugar, from $0 20 to $0 40, and on brown sugar, from $0.10 to $0.14,

according to quality. Some goods owned by Foreigners were seized, between Tainan and Anping, for non-payment of Likin, but were afterwards released on the explanation that they had been purchased before notice had been given of the new tax. The rate was eventually reduced to what would about equal half of the Foreign Tariff full Duty, and the agitation abated; otherwise it is probable that the Foreign merchants would have had to take out Transit Passes. In fact, one Pass for brown sugar was taken out, and the sugar was shipped after payment of Transit Dues. Transit Passes for camphor have, however, been used in the island for many years. Camphor is an article on Formosan production which has always been treated in a peculiar manner by the Chinese Government. In the early days of the occupation of the Island by the Chinese the camphor trade was made a Government monopoly, and camphor could only be sold and bought through Government officers, who fixed the price; or, more frequently, the right to trade in it was farmed out by Government to private individuals. Owing to the representations made by the Consular body against the restrictions placed on the purchase of camphor, rules for the regulation of the trade in Formosa were accordingly drawn up and approved by the High Authorities in Peking. These rules abolished the monopoly. and allowed Foreign merchants to buy campor in the country and bring it down under Transit Pass to the port for export. 812 piculs were exported from Takow in 1868, and 1,508 piculs in 1869. But there seems still to have

been difficulties in the way of the trade, for the British Consul wrote in his Report for 1869:—"Local seizures, intimidation, and persecution of Chinese agents, with many other obstacles placed in the way of British merchants by the Native officials, have been of so frequent occurrence as to have almost amounted to a revival of the monopoly, the abolition of which represents an annual loss to the local government of $60,000. Until these obstacles are removed, British merchants will not feel inclined to embark capital in a trade subject to such arbitrary and oppressive interruptions." And again, in the Report for 1870:—"Camphor shows a slight increase over last year's export; but the trade in this article has been attended in the south of the island with such heavp losses, owing to the action the local mandarins, that no fresh operations were commenced during the year 1870." The export was 2,363 piculs in 1870, 81 piculs in 1872, 313 piculs in 1878, 66 piculs in 1879, and in 1880 and 1881, nothing. This brings the history of the camphor trade down to the period under review, with the revival of the monopoly by Governor Liu, and the subject is returned to under

In 1879 Dr. Wykeham Myers, of this port, started an expermental medical education scheme for Chinese. In July, 1888 three successful pupils, whom Dr. Myers had instructed, where handed diplomas of qualification in medicine, surgery, and obstetricks at Shanghai, where they had passed their final examination before a board of examiners. The three pupils had also been taught ambulance duties, and

they with one other Chinese (Dr. Myers' Takow Hospital dispenser,) formed a "medical cadet detachment," which was inspected by His Excellency Li Hung-chang, at Tientsin, in August 1888. Dr. Myers' experiment had been so far a complete success, but, unfortunately, it has not been carried on.

On the 13th July 1889 Mr. H. C. Matheson, consulting manager of the Formosan railways, arrived from Tamsui to prepare a report concening the dredging of the Takow Harbour and Bar, and to make a survey of the country between Takow, Anping, and Tainanfu for a railway. He returned in November of that year to Tamsui, having completed his work.

Of the two places—Takow and Anping,—Anping must be credited with the more salubrious climate; not only does the thermometer register lower readings, but there is at Anping a freshness and vigour in the atmosphere from which Takow is entirely free. One reason is, no doubt, the presence, immediately to the north of Takow, of the lofty Ape Hill, whereby the fresh northerly breezes which blow so freely across flat Anping, bringing health and carrying off disease on its wings, are cut off from Takow. Another source of the extreme depression of spirits and languor experienced in Takow by the healthy and naturally strong person is probably the effect on the atmosphere of numerous sulphur springs in the immediate neighbourhood of the Settlement, whereby the air becomes impregnated with nauseating sulphuretted hydrogen. This fact has been drawn attention to by the medical faculty, and it has been claimed that, in con-

sequence, the Takow climate is beneficial to people with a tendency to consumption. Be this as it may, the fact remains that for a healthy person the great drawback to residence at Takow is its enervating climate. A change to Anping for a few days has a wonderful effect—improvement in spirits, appetite, and general health at once sets in; whereas the common remark of an Anping resident on arrival at Takow is, "As soon as I cross the bar I feel good for nothing." On the other hand, in fairness to Takow it must be admitted that the scenery is of a pretty and cheerful description. The green bluffs of Ape Hill and the blue water of the lagoon are a pleasant change and rest to the eye after a sojourn on the dull, flat, muddy, brown Anping plain. The resident at Anping has, besides, the advantage of fresh butchers' meat throughout the year. The community is chiefly dependent on Amoy for butchers' meat which can be brought by steamer as far as Anping in a fit state for food, but in summer it cannot last out the extra day required to reach Takow, where chickens and potted meats form the principal part of the Foreigner's diet during many months of the year. Of the former the taste soon wearies, and too much of the latter is by no means wholesome. On the whole, the climate of South Formose may by described as fairly healthy, so far as Foreigners are concerned, especially for those who are housed well. Cases of malaria occur from time to time, more often in a mild form, invaliding is rare. Epidemics of choleria are unknown. There is no doubt a great amount

of sickness amongst the Natives, such as severe diarrhœa and malaria, due to their dirty habits and wretched dwellings. Malaria is especially prevalent amongst those living in the interior of the island on ground newly cleared of jungle. The summer is trying to Foreigners, not so much on account of great heat, as the thermometer seldom rises above 90° Fahrenheit, but owing to the continuous wet and stormy weather. Out-door amusements are then impossible, and communication with the mainland by steamer being often interrupted for the best part of a month, the want of news from the outer world is sorely felt. With the setting in the north-east monsoon in October comes fine weather and cooler nights; and from December till May there is nothing, so far as the elements are concerned, to make life a burden. Tainan seldom experiences the full force of a typhoon. The storms, which start in the south and travel in a northerly direction, usually slant off either to the north-east or north-west before reaching the South Cape of Formosa. The island of Samasana is said to be continually the victim of typhoons. The presence of gales of wind anywhere in the China Sea is at once apparent from the unsettled weather and heavy swell in the Formosa Channel, with rough bars at Takow and Anping. Since May, 1889, daily telegrams have been sent from the Anping office to the Government Astronomer at Hongkong, except when the telegraph line has been interrupted.

During the past 10 years 1882-91 Tamsui has been visited by 34 Foreign men-of-war,

comprising 1 American, 29 British, 3 German, and 1 Russian.

The following ships were wrecked in this district during the 10 years 1882-91-:—

1883.—30th January.—The Norwegian barque *Henrick Ibsen* was wrecked at the Pescadores, on Pehoe Island.

1884.—19th September.—The British three-masted schooner *Beta* struck on a shoal on the west coast of Formosa, near the town of Luchiang. She became a total wreck. The crew were brought to Takow by the British gunboat *Fly*.

1885.—3rd August.—At midnight the British barque *M. A. Dixon*, lying in the roadstead, drifted on to Saracen Head and became a total wreck.

1886.—26th January.—The German barque *Guaymas* went on shore about 7 miles south of Saracen Head and became a total wreck. No lives were lost.

5th June.—The German three-masted schooner *Wilhelm Meyer* was wrecked in the Takow Inner Harbour. No lives were lost.

11th September.—The German schooner *Niederhof*, lying in the roadstead off Anping, broke from her moornings during a south-west blow and went ashore about 2½ miles north of the harbour. She became a total wreck. No lives were lost.

15th September.—The Governor of Formosa's *Walee (Waverly)* struck on a reef to

the north of Round Island, Pescadores, and became a total wreck. The captain and three officers, who were Foreigners, and over 200 Chinese drowned.

1888.—12th October.—The Governor of Formosa's s.s. *Wayting* struck on a reef to the north-west of the Pescadores and became total wreck. Many Chinese were drowned.

Trade at this port may be described as having been practically stationary during the last 10 years (1882-91). There have, of course, been fluctuations from year to year, and increases and decreases amongst the different articles which compose the Import and Export trade; but on comparing the total yearly values of the trade, it will be found that, on the whole, neither headway nor leeway has been made. The value of the Imports and Exports in 1881 amounted to Hk.Tls. 4,059,311; and in 1882, Hk.Tls. 3,170,667. The considerable decrease was due to disastrous typhoons in 1881, which ruined the crops in the district. The 1883 trade value was Hk.Tls. 3,172,996, but a slight increase on that of the previous year, though in the Trade Report it was pointed out that trade generally had improved and that the falling off was confined to Opium. The 1884 value, Hk.Tls. 3,084,068, was the lowest since 1878, and was accounted for by the low price of Sugar and by the French blockade, which stopped business during the last three months of the year. The blockade continued up to the 15th April 1885, and reduced the value of the trade of that year to Hk.Tls. 2,478,681.

In 1886 matters mended somewhat, and the trade reached Hk.Tls. 2,583,625 in value; but in the Report it was pointed out that nearly all items, whether Imports or Except except Opium, showed a diminution, and the reason was stated to be the imposition of Likin on Exports. In 1887 the trade was valued at Hk.Tls. 2,762,538, a small increase on the previous year, and no special peculiarity was noted in the Report in regard to the year's business, except that the duty of collecting Likin on Foreign Opium was taken over by the Foreign Customs in February. The value in 1888 was Hk.Tls. 2,862,020. There was a good Sugar crop, and the export of Sugar was larger than in the three preceding years; but business was unfavourably affected by an insurrection in the centre of the island, whereby communication with several important markets in the interior was rendered precarious. In the following year the value was Hk.Tls. 2,746,464, a slight decrease on the year before, and chiefly due to a smaller Sugar export, the crop having been damaged by heavy rain. In 1890 there was a considerable rebound upwards, to Hk.Tls. 3,575,723. Favourable weather was followed by good harvests of all kinds and both the Import and Export trade improved. The value of the trade again fell off in 1891, to *Hk.Tls.* 3,131,260, due to a very much smaller Sugar business; the crop was short, and higher local prices, combined with a bad market in Japan, spoiled business.

This port year by year is visited by fewer sailing vessels. Formerly during the Sugar

season the harbour at Takow was crowded with sailing vessels, whereas now a ship seldom crosses the bar, though a few still load in the roadsteads at Takow and Anping. The decrease in the number of sailing vessels all over the world and the increase in the number of steamers available for charter are, of course, the main causes of the change, but the altered circumstances of the trade of this port must also be taken into account. In the days of sailing vessels, Sugar went from Formosa to Great Britain Australia, the United States of America, Canada, and South America; but latterly competition from other Sugar-producing countries and the introduction of cheap Sugar made from beet-root has so reduced prices on these markets that it no longer pays to ship Sugar to Europe or America, and Japan is now practically the only Foreign country in which it can be sold at a profit. The north of China consumes a quantity of Sugar from the Tainan-fu district, but the greater part of it is carried away in coasting steamers and not in sailing vessels. The following figures give the number of sailing vessels and steamers which cleared from Anping and Takow respectively in each year since 1882, and show how during the last ten years steamers have gradually taken the place of sailing ships:—

Year. Port.	Cleared.		
	Sailing Vessels.	Steamers.	Total.
1882—Anping.....	42	53	95
Takow	34	5	39
1883—Anping.....	47	55	102
Takow	41	1	42
1884—Anping.....	44	50	94
Takow	48	6	54
1885—Anping.....	33	37	70
Takow	29	5	37
1886—Anping.....	33	42	75
Takow	17	1	18
1887—Anping.....	40	41	81
Takow	21	4	25
1888—Anping.....	30	44	74
Takow	9	8	17
1889—Anping.....	19	53	72
Takow	6	2	8
1890—Anping.....	17	61	78
Takow	6	8	14
1891—Anping.....	13	55	68
Takow	1	8	9
Total—Anping...	318	491	809
Takow ...	212	48	260
Grand Total	530	539	1,069

The following table gives the value of the Import trade for the last 10 years, the values of the Opium, Cotton Goods, Woollen Goods, Metals, and Sundries being shown separately :—

DESCRIPTON OF GOODS.	1882. Hk.Tls.	1883. Hk.Tls.	1884. Hk Tls.	1885. Hk.Tls.	1886. Hk Tls.
Opium	1,185,529	976,862	895,677	898,183	1,083,207
Cotton Goods	71,491	110,021	95,160	1 6,501	64,044
Woollen Goods....	54,581	71,438	49,590	65,685	61,050
Metals.....	1,118	8,943	6,2[illegible]9	7,[illegible]83	4,421
Sundries.....	74,846	76,165	87,131	102,270	106,160
Total	1,387,565	1,237,319	1.133,777	1,189,722	1,318,882

DESCRIPTION OF GOODS.	1887. Hk.Tls.	1888. Hk.Tls.	1889. Hk Tls.	1890. Hk,Tls.	1891. Hk.Tls.
Opium	1,151,081	948,622	958,554	1,101,873	947,031
Cotton Goods	85,922	79,757	92,943	104,126	99,682
Woollen Goods....	63, 86	68,044	73,079	86,676	93,643
Metals	4,014	3,279	3,621	5,740	7,004
Sundries.....	10[illegible],725	135,656	148,287	148,072	147,201
Total	[illegible],412,878	1,235,358	1,276,484	1,446,387	1,293,961

The value of the Opium towers conspicuously over that of the other goods. Of the value of all the Imports taken together, Opium represented in 1882, 85 per cent.; in 1883, 79 per cent.; in 1884, 79 per cent.; in 1885, 75 per cent.; in 1886, 82 per cent.; in 1887, 81 per cent.; in 1888, 76 per cent.; in 1889, 75 per cent.; in 1890, 76 per cent.; in 1891, 73 per cent.; and for the 10 years, 77 per cent.

In Cotton Goods the highest value was reached in 1885, due to a larger importation of Grey Shirtings and Turkey Red Cloths.

Woollen Goods have increased steadily in value since 1884, and 1891 is the year credited with the highest value.

Metals have been imported to a very small extent. Old Iron formed the principal part of the importation, Nail-rod Iron coming next, and then Lead.

The value of Sundries has risen 50 per cent. in the 10 years. Of Foreign Sundries im-

ported, Cuttle-fish, Flour. Kerosene Oil, Dried Prawns and Shrimps, and Wine are the items which represented the most money. The Flour, valued at Hk.Tls. 9,685 in 1891, came from California. The cake-shops import it, and it is used to some extent in Chinese households. Wine was valued at Hk.Tls. 5,667 in 1891. Wine for Foreigners was included, but a large proportion was for consumption by the Natives, their favourite kind being Vermouth. Beer and Porter are also much appreciated by the Chinese, and the import of these liquors was valued at Hk.Tls. 922 in 1884 and at Hk.Tls. 2,246 in 1891. The importation of Kerosene Oil has increased since 1882 from 104,600 gallons, valued at Hk.Tls. 13,426, to 145,400 gallons, valued at Hk.Tls. 17,800, in 1891. It was nearly all of the American kind.

The chief articles amongst Native Imports are Hemp Bags, Grass and Straw Bags, Medicines, Sesamum Seed Cake, Silk Piece Goods, Tobacco, and Wood Poles. Hemp Bags are imported to pack Rice for export by junk, and Grass and Straw Bags to pack Sugar. Sesamum Seed Cake, or Cake-stuff, first appeared in our Returns for 1881, with 304 piculs, and since then a few hundred piculs have arrived each year, except in 1886, when none was imported. It is valued at about Hk.Tls. 20 a picul, and is used only to adulterate Opium. Sesamum Seed is a production of South Formosa, and is an Export; but the peculiar Cake required cannot be made here. Tobacco comes from Foochow, Amoy, and Hongkong. In 1882 the value of the Tobacco imported was Hk.Tls. 45,047, and in

1891, Hk Tls. 15,661 only. Practically all the Tobacco consumed in this district is imported, chiefly by junk, though some is grown by the savages in the hills for their own smoking.

In general, the Import trade in Foreign bottoms during the last 10 years has not expanded, and probably the one steamer which now runs regularly between Hongkong and Anping *via* Swatow and Amoy will be sufficient for some years to come, so far as Imports are concerned.

The list of articles of export is not lengthy. In 1882 there were 23 items, valued at Hk.Tls. 1,518,514, unclassed sundries to the value of Hk.Tls. 1,643 not included, and in 1891 there were 38 items value at Hk.Tls. 1,634,125, sundries to the value of Hk.Tls. 373 not included. The most important Exports are Camphor, Hemp, Lung-ngan Pulp, Dried Lung-ngans, Brown Sugar White Sugar, and Turmeric. A sketch of the history of the Camphor trade in South Formosa down to the year 1881 has been given above, and the subject is now continued for the period under review. During the five years 1882-86 no Camphor was brought down to the port under Transit Pass, though in each year, except in 1858, a few piculs were exported. In November 1887 it was officially notified that the monopoly had been farmed for three years from the 17th October, for a deposit of $5,000 and payment of $12 a picul, which was to include the Likin. This was objected to by the Foreign representatives as being contrary to the Camphor rules of 1869, by which the

monopoly was done away with. The Governor, however, maintained that the new arrangement referred to Camphor produced in the districts occupied by the savages, but that Foreigners could buy from private dealers at places near the coast; and some Camphor belonging to a German firm was seized, at a place called Shui-ti-liao, for having violated a rule, which had lately been endorsed on Transit Passes, to the effect that merchants were not to buy Camphor in the savage districts. The difficulties naturally interfered with the trade, and during 1887 and the following years very little was brought to this port, and the greater part of it was not under Transit Pass. In 1887, 236 piculs were exported, all under Transit Pass; in 1888, 961 piculs, of which 241 piculs were under Transit Pass; and in 1889, 596 piculs, of which 251 piculs were under Transit Pass. In June 1890 merchants were notified by the Government that barriers had been established at the district city of Chang-hua and at the seaport of Lu-chiang, and that produce from Mid-Formosa must pass by this route to Lu-chiang, where it could be shipped either north to Tamsui or south to Anping. This was strongly objected to by the Foreign merchants of this port, who had been accustomed to bring their goods down by the shortest road, and the matter was taken up by the Consuls who represented the inconvenience arising from the new rules. Notice was also given by the Governor that a tax of $18 on every picul of Camphor produced and sold to either Foreign or Chinese merchants would be levied, to

defray expenditure on the military operations against the savages; that any surplus Camphor unsold would be taken over by Government at $12 a picul; that Camphor boilers, furnaces, daily out-turns, etc., were to be registered: and that money would be advanced to indigent still-owners. These arrangements were opposed as being contrary to the spirit of the 1869 rules and calculated to put the Camphor trade entirely in the hands of Chinese, to the injury of Foreigners. In 1890, 759 piculs were exported, of which 318 piculs were under Transit Pass. The price had risen in Hongkong, and but for the difficulties placed in the way of buyers from this port the export would have been considerably larger. In 1891, 2,120 piculs were shipped, of which 1,766 piculs came down under Transit Pass; of this amount, 439 piculs were under Passes issued at Tamsui to a merchant there, who shipped the Camphor from Anping. 25 Passes were used, against 4 in 1890. Whilst on the subject of Transit Passes I may add that in February, 1890 it was arranged that these documents were to be valid for 13 months from the date of issue.

The Hemp sent away is of two kinds: one is probably the *Bœhmeria nivea*, which is used to make what is called Grasscloth, a favourite material with Chinese for summer clothes; the other is made from the fibre of the leaves of the pineapple plant, which grows prolifically in this neighbourhood. Until 1891 the two kinds were entered together in the Returns under the name of Hemp, and the following table gives the quantity of each

kind for the last ten years, as well as that of Hemp Skin, which is probably the skin, including the fibre, of *Corchorus capsularis* :—

Description.	1882.	1883.	1884.	1885.	1886.
	Piculs.	Piculs.	Piculs.	Piculs.	Piculs.
Hemp.....	907	851	837	1,041	681
Pineapple Hemp...	...	...	202	120	202
Hemp Skin	...	...	...	...	...

Description.	1887.	1888.	1889.	1890.	1891.
	Piculs.	Piculs.	Piculs	Piculs.	Piculs.
Hemp	1,362	1,249	1,118	1,514	1,695
Pineapple Hemp...	229	265	256	246	548
Hemp Skin	173	72	542	18	187

The amount of Hemp exported in Foreign vessels is not large, but a good deal goes away by junk. Pineapple Hemp is sent to Swatow for manufacture into Grasscloth of a finer quality than that made from the *Bœhmeria*. Hemp Skin seems to be used for rope-making only. The price per picul of *Bœhmeria* and Pineapple Hemp is about Hk.Tls. 11, and of Hemp Skin, about Hk.Tls. 6. In Formosa there is a material manufactured by the savages for clothing, called by the Chinese *sheng-fan pu*, or savage cloth. I have been informed that it is made from two kinds of trees, namely, the *ch'ing-t'ung* tree and the Formosan mulberry. The bark of the former, after being steeped in water, is pounded and then drawn into thread. The filament from the mulberry is obtained from the root of the tree. The Chief Lightkeeper at the South Cape informs me that the savages in that district have given up making cloth and supply themselves with Chinese cloth from the mainland.

The tree (*Nephilium longana*) which produces that fruit called Lung-ngan ("dragons' eyes") grows abundantly in this district. The value of Lung-ngan Pulp and Dried Lungngans exported in 1882 was Hk.Tls. 1,798 and Hk. Tls. 1,419 respectively, and in 1891 it had risen to Hk.Tls. 27,316 and Hk.Tls. 10,010. Owing to unfavourable weather at the time the trees flowered, the crop of 1891 was spoiled, and the export for the year was very much less than in 1890.

As compared with the previous decade, there has been a larger export of Turmeric, namely, 192,733 piculs, against 109,984 piculs; it is valued at about Hk.Tls. 3 a picul, and most of it went to North China.

Rice and Sugar are the most important products of South Formosa. It is estimated that one year's yield of Rice in Formosa is sufficient to feed the population of the island for three years. The Rice trade, however, being entirely in the hands of Chinese and confined to Native shipping, does not interest Foreigners; but the Sugar export business, as one in which Foreigners could engage, has in past years rivalled the Opium import trade. Formely when Sugar was sent hence to Europe, America, and the Australian colonies, the greater part of the crop each year purchased by Foreign firms at this port or by the agents of Foreign firms in Amoy, either on their own account or on commission. For the last few years, however, the price of Sugar in non-Asiatic markets has been below the limit at which Formosa Sugar could be sold profitably, and the part taken by the Foreigner in the trade has become com-

paratively unimportant, except as agent for vessels chartered by Chinese to take their Sugar away; though Foreigners still continue to make ventures on the Japan market. The Sugar is divided into two main divisions—Brown and White. The business done in White Sugar is small compared to that in Brown. White, or clayed, Sugar, which is Brown Sugar partly clarified, is sent to Chinese ports direct and *via* Hongkong. In some years a few piculs have gone to Japan, but the market for it there is inconsiderable. The following figures give the total quantity of White and Brown Sugar exported during the last 10 years :—

WHITE SUGAR.

Destination.	*Quantity. Piculs.*
Japan	3,500
Hongkong	249,172
Chinese ports	147,970
Total	400,642

BROWN SUGAR.

Destination.	*Quantity. Piculs.*
Foreign countries	5,825,477
Hongkong	148,250
Chinese ports	1,317,511
Total	8,291,238

Shanghai, Tientsin, and Chefoo are the Chinese ports to which the greater part of the White Sugar went. The export of Brown Sugar during the 10 years 1872-81 was—

	Piculs.
To Foreign countries	3,766,515
,, Hongkong	266,719
,, Chinese ports	2,451,536
Total	6,484,770

that is, nearly 2,000,000 piculs less than the export of the succeeding 10 years. The following tables show the amount of Sugar shipped from Takow and Anping respectively during the last seven years :—

EXPORT OF BROWN SUGAR FROM TAKOW, 1885-91.

Year.	Japan.	Great Britain.	United States of America.	Canada.
	Piculs.	Piculs.	Piculs.	Piculs.
1885	267,312	11,073	...	...
1886	138,160	...	25,914	17,300
1887	257,122	...	...	...
1888	297,991	...	...	...
1889	263,075	...	...	...
1890	319,253	...	...	...
1891	266,273	...	...	...
Total	1,809,186	11,073	25,914	17,300

Year.	Hongkong.	Chinese Ports.	Total.
	Piculs.	Piculs.	Piculs.
1885	3,400	11,120	292,905
1886	5,500	499	187,373
1887	7,414	15,102	279,638
1888	14,000	5,826	317,817
1889	1,196	16,392	280,663
1890	...	340	319,593
1891	...	...	266,273
Total	31,510	49,279	1,944,262

EXPORT OF SUGAR FROM ANPING, 1885-91.

Year.	Description.	Hongkong.	Japan.	Canada.	United States of America.	Europe.	Chinese Ports.	Total.
		Piculs.	Piculs.	Piculs.	Piculs.	Piculs.	Piculs.	Piculs.
1885	Brown ..	8,165	..	..	..	5,291	194 515	207,971
1885	White ..	33,979	..	..	..	..	23,750	57,729
1886	Brown ..	3 548	..	9,000	23,915	..	138,989	17 ,452
1886	White ..	5,563	..	..	..	..	21,836	27,399
1887	Brown ..	3 104	..	..	..	..	240,900	243,304
1887	White ..	17,259	..	..	..	..	13,258	30,517
1888	Borwn ..	6,406	34,400	..	..	..	257,207	298,013
1888	White ..	25,434	..	..	..	..	12,377	37,811
1889	Brown ..	4,431	46,450	..	..	..	212,680	263,561
1889	White ..	18,607	149	..	..	..	6,498	25,254
1890	Brown ..	2,340	25,692	..	..	..	329,148	357,180
1890	White ..	26,656	..	..	..	..	18,934	45,590
1891	Br wn ..	7,146	7,105	..	..	..	264,823	279,074
1891	White ..	12,474	..	..	..	..	11,7 2	24,186
	Total Brown	35,140	113,647	9,000	23,915	5,291	1,637,562	1,824,555
	Total White	139,972	149	..	..	..	108,365	248,486

* From 18th April

Takow Brown is the only kind in which Foreigners are interested : the trade in Brown Sugar from Tainan-fu district is entirely in the hands of the Chinese. Brown Sugar being an article of so much importance to this port, much attention has been paid to it in each annual Report on Trade, and the following is a summary of the history of the trade since 1881.

In 1882, with high prices in Formosa and low elsewhere, there was a falling off all along the line, with the exception of Australia. The weather being favourable, 1883 was a good year, the coast and foreign ports alike showing gains, with the exception of Australia and Hongkong; while the weather promised well for the next season. 1884 was the best year since 1880, the coast ports, Japan, Great Britain, America, and Hongkong gaining most,

while Australia dropped out of the ranks altogether, and has not returned; but the prices declined from $2.80 to $1.80, and even to $1.65 at Anping. On the 23rd October the port was blockaded by the French. The low prices realised and the uncertainty of the future deterred many from planting Cane. The blockade was raised on the 15th April 1885, and prices rose from $1.60 to $2.60, with higher offers after the supply was practically exhausted, the total export amounting to 500,000 piculs only, against nearly 900,000 piculs in 1884, and the decrease being general. The blockade was raised so late that but little Cane was planted, and of that little, part was destroyed by the typhoon and heavy rains of August and September. In 1886, 362,000 piculs were exported—the smallest amount since 1869,—the falling off being general. Not only was the supply short and the competition of other Sugar-producing districts keen, but the trade was also disturbed by the imposition in May of an additional tax (Likin). In 1887 about 523,000 piculs were exported, an amount only exceeded during the years 1873, 1875, 1878, 1885, and 1886 of the previous 17 years. Except 257,000 piculs to Japan and 10,000 piculs to Hongkong, no sugar went abroad. At one time during the year sugar could have been sent to more distant markets with a narrow margin for profit, had not the Likin imposed in 1886 been added to the cost; but the chief cause of the small export abroad was the depressed state of trade there. In 1888 the crop was good, and 317,817 piculs were exported

from Takow and 298,013 piculs from Anping. The season was profitable for the Chinese, as prices were well maintained, and there was a good demand in Japan, where the whole of the Takow crop was disposed of, except some 5,000 piculs sent to Chefoo. The heavy autumnal rains of 1888 did much damage to the sugar crop, and the export in 1889 was less by 71,605 piculs than that in the previous year. The whole of the Takow crop went to Yokohama. Shipments to London and America of Takow and Tainan-fu sugars were nearly practicable in the months of April and May, when the home markets took a sudden and rapid rise; but there was difficulty in obtaining tonnage, and several orders in hand had to be abandoned. As a result of the favourable weather and freedom from storms during 1889, there was a plentiful crop of sugar-cane in 1890, and more exported than in any of the previous five years. The crop of 1891 was a little under the average, and considerably below the yield of 1890. Prices of brown sugar ruled high at Takow and in Yokohama. The high prices in Japan attracted sugar from Manila and other places, with the result of an accumulation of supplies and ultimate loss to all concerned. The season was marked as one of the most disastrous on record. The shippers of Tainan-fu sugar were also unfortunate in their ventures.

No sugar has been shipped direct to Australia since 1883, to Great Britain since 1885, to the United States of America since 1886, or to New Zealand since 1884.

The highest and lowest prices for Takow Brown Sugar from 1884 to 1891 were:—

1884.		1885.		1886.		1887.	
Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
$	$	$	$	$	$	$	$
2.55	2.10	2.55	1.70	3	2.60	2.70	2.05

1888.		1889.		1890.		1891.	
Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
$	$	$	$	$	$	$	$
3.10	2.55	2.80	2.60	2.70	2.42	3.15	2.55

There being several qualities of Tainan Brown Sugar, and the business being in the hands of Chinese, reliable prices for this kind cannot be obtained.

Until the year 1887 no Sugar left for Japan by steamer; the freights for sailing vessels varied from 25 to 30 dollar cents per picul. In 1887 steamers began to take Sugar to Japan for from 25 to 27 cents per picul. In 1891 the highest freight for Sugar by steamer to Yokohama was 25 cents per picul, and the lowest 19 cents. The rates for Sugar by steamer to Shanghai and the northern ports have varied but little during the past 10 years, the various steamer companies having adhered strictly to tariff rates, viz, to Shanghai, 20

cents per picul; to Chefoo, 30 cents; to Tientsin, 37 cents; and to Newchwang, 30 cents. Sailing vessels to coast ports are usually chartered by Chinese by the month, or for a lump sum to go to a northern port with Sugar and return to Amoy or Swatow with Beancake, but no statistics in regard to charges can be obtained.

Salt is a product of South Formosa, and is sent to the north of the island by sea. There are four Salt-making places along the coast between Takow and Pu-tai-tsui. Each place is under the charge of an official, Salt being in Formosa, as on the mainland, a Government monopoly. It is reckoned that they together produce 250,000 *shih* of Salt a year, which is sold at the rate of 16 cash a catty. The north end of Formosa draws its chief supply of Salt from the mainland, but at times it takes Salt from here. During the last 10 years the quantity passed through this office for shipment to Tamsui in Foreign bottoms has been:—

	Quantity. Piculs.	Value. Hk.Tls.
1883	21,558	11,233
1886	38,784	33,914

During the same period Salt has also been shipped from time to time in Government steamers and junks to the north, but how much cannot be ascertained.

The total amount of Treasure imported and exported through the Tainan Customs in the last two decennial periods was:—

	Imported. Hk.Tls.	Exported. Hk.Tls.
1872-81	4,391,136	4,257,404
1882-91	3,583,382	4,917,228

The following table shows the movement of Treasure during the last ten years:—

Port or Country.	Imported from. Hk.Tls.	Exported to. Hk.Tls.
Amoy...	1,775,090	3,103,288
Foochow	11,126	66,774
Hongkong... ...	1,626,131	1,248,823
Ningpo	785	...
Shanghai	24,322	17,310
Swatow	2,092	238,118
Tamsui	33,936	242,915
Japan...	109,963	...
Total ...	3,583,382	4,917,228

The import is exceeded considerably by the export, which fact is not accounted for by the balance of trade. The cause of the balance being against the port has been assigned to Government cash remittances, but I find, on inquiry, that all Government funds sent away by sea from here go in Government steamers, and are therefore not taken account of in the Customs Returns. There is, no doubt, a considerable flow of dollars from the centre of the island to Tainan in payment of goods imported here and sold there, such as Opium and Piece Goods, which dollars most likely entered the island through Tamsui. This supposition is borne out by the Tamsui Customs Treasure table,

which shows in each year a very much larger import than export. In the 10 years 1881-90 Treasure to the value of Hk. Tls. 11,024,499 arrived at Tamsui, against only Hk. Tls. 2,372,426 sent away. It is not improbable that part of this very large balance in favour of Tamsui found its way here and was exported. Again, it may be said that of the proceeds of the sale of Sugar in Japan, little comes to Tainan in the shape of Treasure; the money is remitted to Hongkong from Japan, and the Sugar merchants here, when they want money, sell drafts on Hongkong. I have been favoured with the following notes on the system of remitting from and to this port:—

"From about the 15th November each year dollars are required for advances to the sugar-men, and, consequently little or no bullion is exported to the mainland or Honkong, remittances being made by Chinese drafts drawn by the Chinese merchants on their agents or representatives in Amoy. The Hongkong and Shanghai Bank agency (since the establishment of which, in 1886, exchange operations have been on a more regular basis) also grants drafts on Amoy and Hongkong at par, and employs the money in loans to Chinese and advances to foreigners against Sugar in godown destined, as a rule, for the Japan markets. It frequently occurs that bullion has to be imported from the mainland, principally Amoy, as the Sugar season advances, the proceeds of opium and other Imports being insufficient to pay for the Sugars purchased. This state of affairs usually continues until June or July. As soon as the Sugar purchases

are provided for, there is no need for dollars, and coin has therefore to be reshipped to Amoy. The rate fixed by the Hongkong and Shanghai Bank for drafts on Amoy or Hong- is $\frac{5}{8}$ per cent. premium, and it is to be presumed that the Chinese regulate their exchange on this basis, though many seem to prefer to ship Treasure. Thus, practically, exchange on Amoy and Hongkong rules at par for the first six months, and at $\frac{5}{8}$ per cent. premium for the the remaining half-year."

Reference to the Treasure tables in the Customs quarterly statistics of trade will illustrate the truth of the last sentence, the importation being invariably greater in the first six months and the exportation greater in the last six months of the year, the Sugar season being practically the first half of the year.

Silver Sycee is never imported, and very little Gold comes. The value of the Gold Bars that arrived in 1890 was Hk.Tls. 29,086, and in 1891, Hk.Tls. 8,538. This Gold was for use in the arts and manufactures, and not for monetary purposes.

During the last 10 years the Revenue collected under the heads of Import, Export, and Coast Trade Duties has not varied much. The collection under these heads in the first and last years of the decade was :—

Year.	Import.	Export.	Coast Trade.
	Hk.Tls.	Hk.Tls.	Hk.Tls.
1882...	12,012	80,950	2,424
1891...	16,274	79,273	1,376

The Duty on Opium rose from Hk.Tls. 86,496 in 1882 to Hk.Tls. 102,032 in 1881. Tonnage Dues fell from Hk.Tls. 5,067 in 1882 to Hk.Tls. 1,727 in 1891. From 1882 to 1886 no Transit Dues were collected, but during the remaining five years Hk.Tls. 1,082 were collected under this head. Since the duty of collecting Likin on Foreign Opium was taken over by the Foreign Customs, Likin to the amount of Hk.Tls. 1,119,810 has been levied by this office. During the 10 years the total Revenue collected under all heads amounted to Hk.Tls. 2,973,987.

(*d*) The first feature to be noticed in regard to Opium is the entire disappearance from the Returns, towards the end of the period now reviewed, of the two sorts Patna and Malwa, neither of them having ever been imported to any great extent. Benares and Persian have been always more to the taste of smokers in this island. In the Customs Annual Reports there are no special reasons alleged for the ostracism inflicted on Patna and Malwa, but in the British Consul's Report on trade for the year 1883 it was stated that "Persian Opium is said to be cheap, superior in 'touch' (*i e.*, very free from refuse and yielding a large proportions of the liquid extract), high flavoured in some way (so that it will bear a large admixture of sesamum . . . .), not very intoxicating, and the ashes can be smoked at least thrice." Again, in the Consular Report for 1889 it was written : — "This increase occurred chiefly in Benares, the drug most in demand here, on

account of its mildness of flavour as compared with other sorts. Persian Opium, however, is daily in more demand, and bids fair to rival Benares. The taste for Persian Opium appears to have increased in Formosa since the date of the Japanese invasion, when large quantities were imported to supply the demand caused by the introduction, for the defence of the island, of soldiers from other parts of the Empire; since that time the import has increased steadily, and there is every reason to believe that it will continue to do so. The great cause of the popularity of Persian Opium is its mildness and comparative cheapness, as the residue, or ashes, can be used, mixed with fresh drug, for as many as five or six smokings." A merchant has kindly given me the following information in regard to Persian Opium :—"Persian is preferred in this district on account of its comparative cheapness, due not only to the actual difference in price, which in November 1891 was $330 per chest, against $413 for Benares, but to the higher 'touch,' or per-centage of pure Opium, of the former, which render the drug more 'smokeable.' This means that, by the admixture of fresh drug in increasing proportion, the ash can be smoked four or five times, against twice only in the case of Benares. The quality of Benares is standard, viz, 100 taels weight, equal to from 55 to 56 taels of pure Opium, whilst that of Persian varies. One of the methods of testing samples of Persian before purchase is by boiling it and passing the liquid through several pieces of paper. The pureness of the liquor which filters

through and the amount of residue left on the paper denote the 'touch.' The smell, taste in the pipe, and colour of the ash—the whiter the ash the better the Opium—are also considered before a price is offered for the chest sampled. In regard to strength it is considered that 1 mace of Persian is equal to 6 candareens of Benares. It is said that the strength of Persian drug has deteriorated during the last five years, but whether due to the improverishment of the land on which the poppy in Persia is grown, to less careful manipulation in collecting the juice, or to adulteration, is not known. In Formosa, for the adulteration of Opium two varieties of 'cake' are used. One is called 'Tientsin cake,' an abominable mixture of buffalo, horse, pig, or other skins boiled down to a liquid—burnt skin having a smell similar to that of Opium smoke,—to which some kind of medicine is added and a small quantity of Native Opium, either pure or obtained by boiling refuse pods of the poppy plant; the price averages about $40 per picul, some 25 per cent. being added to pure Opium for smoking purposes. The other kind of cake, known a 'Hankow cake,' is made from sesamum seed, and contains no Opium; the price is $13 per picul, and about 20 per cent. is added to pure Opium for smoking purposes. Opium is, as a rule, adulterated when boiled; but sometimes the inside of a ball of Benares is scooped out and the cavity filled with cake, or a mixture of cake and Opium, the ball being then sold as pure Opium. Both Hankow and Tientsin cake have a very similar appearances to Opium of best quality. The latter, from

the addition of Native Opium, has a smell of the drug and, passing through the filtering paper readily, has a high touch. Native Opium from T'ung-an, near Amoy, has been imported into Formosa, where it is known as 'T'ung-an cake.' It is unlikely that much comes now, owing to the cheapness of Persian."

In former years Turkey Opium appeared in the Customs Returns as an import, but in 1889 it was discovered that no Turkey or Smyrna Opium at all was consumed in China. What had till then been called Turkey was, in reality, a variety of Persian, dry, and in small balls wrapped in fig leaves, but latterly in paper. The name "Turkey" was derived from the Chinese calling it *Tu-érh-chi*, which represented the sound of a Persian word meaning "small ball." Persian Opium, unwrapped, oily, and in larger balls, of which none comes now, had only been passed as Persian. I am, however, informed that more than 10 years ago a few chests of real Turkey were imported here; it sold at a heavy loss, and no further attempt to introduce it was made. To find, therefore, the true amount of Persian imported during the last 10 years, as compared to Benares, that which was classed as Turkey must be included, and the result is: Benares, 6,236 piculs; Persian, 21,498 piculs—the import of Persian being more than three times that of Benares. It seems likely that the import of Benares into Formosa will dwindle away altogether, and that Persian will usurp its place entirely; while, as mentioned above, the demand for Patna and Malwa has ceased completely.

It is singular how the taste for Persian is confined to this island. On examining the treaty port Returns since 1881, it will be seen that Foochow, Tamsui, Takow, and Amoy are the only places taking Persian in any quantity. Adding the importation at Takow and Tamsui together, Formosa took 28,772 piculs in the nine years 1882-90, while Amoy took 9,021 piculs; Foochow, 2,512 piculs; Swatow, 1,512 piculs; and Shanghai, 1,044 piculs. Persian represented 73 per cent. of the total importation of Opium into Formosa, and only 12 per cent. of the total into Amoy. The reasons for the demand in Formosa for this kind of Opium must be its cheapness, the poverty of the people, and the absence of cheap Native drug. On the mainland the impecunious are able to procure a cheap smoke from Native Opium, pure or mixed with Indian. In Formosa Malwa is about 60 per cent. and Patna about 50 per cent. dearer than Persian. Formosa being practically the only market for Persian, it is flooded with the drug, and prices keep falling; and so long as this is the case it is unlikely that there will be a great demand for Chinese Opium.

The exchange value of the Haikwan tael and English sterling cannot be ascertained here. The standard local rate between Haikwan taels and dollars is Hk.Tls. 100= $152.78, and the Customs banker receives dollars at the rate of Tls. 72.9, Hk.Tls.100 =*Local* Tls. 111.37. For copper cash there are four local rates of exchange, viz, $1= 930 good cash; $1=1,000 cash, 8 parts good and 2 parts inferior; $1=1,100 cash, 7 parts

good and 3 parts inferior; and $1=1,300 cash, 5 parts good and 5 parts bad. The second and last are the common exchanges.

The following table gives the values, from 1882 to 1891, of Imports at moment of landing and of Exports at moment of shipment:—

Year	Value of Imports. Hk.Tls.	Value of Exports. Hk.Tls.
1882	1,524,717	1,719,944
1883	1,289,953	2,014,913
1884	1,213,277	2,036,182
1885	1,288,194	1,245,240
1886	1,391,785	1,215,074
1887	1,448,510	1,367,739
1888	1,267,740	1,703,176
1889	1,305,620	1,516,195
1890	1,491,605	2,209,362
1891	1,375,793	1,850,618
Total	13,597,194	16,878,393

Most of the immigrants arriving in Formosa from the mainland are from Fuhkien and Kwangtung (Swatow men chiefly); they are *boná fide* immigrants, who come to earn a livelihood in agriculture or trade. Those who come from other provinces are officials with appointments, or expectant officials, writers, and hangers-on of yamêns, who do not intend to make their permanent home in the island. Of this latter class few come to Tainan; they generally go to Taipei, near the head-quarters of government, where there is more chance of employment. The soldiers quartered in the island are mostly Hupeh and Anhwei men. There are 35 camps, containing, it is said, some 17,000 men.

The interior of the island has the reputation of being very unhealthy, which no doubt keeps many of the emigrant class from seeking a living in Formosa. Some 10 years ago the Governor of Fuhkien sent 1,000 Canton men to the east coast to settle there; but they all suffered in health, many of them died, and no experiment of the kind has been made since.

I can get no reliable estimate of the total number of Chinese in the island which is, no doubt, increasing slowly.There are probably 800,000 people in the Tainan prefecture. The city of Tainan may contain between 50,000 and 60,000. As is usually the case among settlers, women are in a minority. Owing to the struggle for existence, the expense of purchasing a wife ($100 to $200), and the difficulties of supporting a family, but few of the coolie class are married. Opium-smoking is resorted to as a solatium and this habit, combined with great, physical exertion, tends to curtail life, so that very few attain old age. A common, indeed almost universal, habit among the Chinese of the island is betel-nut chewing. This nut is largely grown in the island, Chia-i and Chang-hua being perhaps the principal places of production. With but few exceptions, the entire population is addicted to the habit of chewing this nut, the juice of which, while it temporarily dyes the lips a deep red hue, eventually darkens the gums and teeth, though it does not seem to cause or hasten decay, but rather to have a preservative effect. This blackness of the teeth, strange to say, is considered a feature of

beauty, and therefore particularly desired by females. Indeed, its absence in a female is regarded as a mark of poverty of the girl's family, and her value as a wife is consequently diminished. Female children therefore begin to chew the nut as early as 5 years of age. The effect on the blood must be injurious, producing spots and rendering the complexion sallow. The habit is quickly formed, and cessation causes a yearning for renewal. The nut is sliced in two lengthwise, and each half is folded in two or three betel leaves, on which a small quantity of purified lime has been spread. The entire quid is chewed. It is said that one catty of lime is used to prepare about 2,000 portions. A *habitué*, chewing day and night—for the practice is continued even during the sleeping hours,—will consume daily about 250 pieces. For this quantity 150 to 200 cash are paid, which would amount to about Tls. 50 in a year. On an average, each person spends about 20 cash per day on the nut.

In regard to numbers the Foreign population of the port has not varied much in the last 10 years, but changes have taken place in details. According to the hong lists of 1882 and 1891, the community in each of these years was made up as follows :—

	1882.	1891.
British Consular officials	3	3
German Consular officials		1
Custom House officials.....	10	12
European merchants.....	11	6
Parsee merchants	3	3
Protestant missionaries	7	10
Roman Catholic missionaries...	1	5
Medical practitioners	1	1
Pilots	2	1
Total	38	42

being an increase of four persons (male adults) only. While the number employed in mercantile pursuits has decreased by nearly half—from 11 to 6—Protestant missionaries have increased from 7 to 10, and Roman Catholic missionaries from 1 to 5. There is only one pilot left, and he has very little piloting to do, now that ships so seldom enter the harbour of Takow; he is also master of the tug *Sintaiwan*, which plies between Takow and Anping. In 1882 there were 6 Foreign firms—4 British, 1 German, and 1 Parsee; in 1891 there were 8 firms—3 British, 1 American, 1 German, 2 Parsee, and 1 Spanish. The American firm, however, withdrew during 1891. It is unlikely that the Foreign community will increase as long as business is conducted on the present lines. German interests at this port were in charge of the British Consul until the 1st May 1890, when Dr. C. Merz opened a German vice-consulate; he resides at present at Takow. The British Consul lives at Anping and has

an assistant at Takow. The total Foreign population of the port, adults and children, at the end of 1891 was 68.

Education is in a very backward state, and the literary attainments of the people are exceedingly low, as is naturally to be expected among immigrants chiefly of the labouring class and men who have risen therefrom by mercantile pursuits. Moreover, the struggle for a livelihood precludes the toiling mass from devoting itself to study, while the acquisition and retention of wealth engrosses the mind of the merchant, to the exclusion of learning and refinement. The class known on the mainland as the literary class, existing for and by means of, culture and erudition, has no place here. The labourer and coolie are utterly devoid of the very rudiments of education, and though the merchant may be able to read and write, his knowledge in but very few instances extends beyond what the keeping of accounts and the penning or deciphering of a business letter require. Arts and literature, so far from flourishing, have never taken root on this hostile soil. The district has never produced a *chuang-yüan*, a *pang-yen* or a *t'an-hua*, and the number of ~~*chü-jén* who~~ present themselves the triennial examinations in Peking to compete for the two *chin-shih* allotted to Taiwan does not exceed 20. Formerly only four *chu-jen* were allowed to Formosa, but of late the number has been increased to seven, viz., three to Taipei-fu, three to Tainan-fu, and one to the central district, Taiwan-fu. 30 *wen* and 25 *wu hsiu-ts'ai* are allowed to Tainan-fu. The examinations for the *hsiu-ts'ai*-ships are

attended by about 1,000 students, and are held at Foochow.

Ninety per cent. of the male population can neither read nor write, and where and when education is so neglected and such gross ignorance prevails among the males, it can be no matter for astonishment that letters do not constitute a part of the education of females.

Money grants for the encouragement of learning, amounting to about 30 per cent. of the expenses, are made by the government in support of three intitutions used as examination halls in Tainan city; the remainder, or 70 per cent., is provided by the principal officials —the Taot'ai, the Prefect, and the Anping Magistrate—from the proceeds of confiscated property and taxes on fish-ponds and waste lands Examinations are held monthly, at which students who have previously obtained a degree of *hsiu-ts'ai*, *chien-sheng* or *chu-jen* are allowed to compete, irrespective of province of birth. At these examinations prizes are awarded from the funds of the institutions.

Reliable statistics of the junk trade are not procurable; the following notes give some idea of the Native shipping business carried on at Anping and Takow. In the Anping Native Customs 185 junks entered and cleared during 1890. Their import cargoes consisted chiefly of soft-wood planks, poles, raw cotton, bricks, tiles, earthernware, chinaware, joss paper, joss sticks, nankeens, and a few Foreign piece goods; their export cargoes consisted of sugar, ground-nut cake, beans, and camphor-wood planks. There is but one class of junk, popularly termed *p'eng ch'uun*, but chiefly

known as *min ch'uan*, or merchant vessel, in contradistinction to *kuan ch'uan*, or Government vessel. There is no measurement for tonnage, properly speaking, but as each vessel is built according to certain rules and lines, the carrying capacity is reckoned by the height and number of masts. Tonnage dues are levied by the Magistrate and Chên-t'ai. The Magistrate charges $3.20 per 100 piculs carrying capacity; the Chêng-t'ai, $0.96. If a junk arrives and leaves in ballast, no dues are levied; but if she arrives in ballast and export cargoes are taken, half rates are levied. If she has import cargo, but takes away no export cargo, full rates are charged. No dues are charged on vessels engaged in the Formosan coasting trade. The rate of freight is determined by the value of the merchandise. Nankeens, grasscloth, and joss sticks, coming chiefly from Swatow, are the best freight-paying imports; the rates varies from 2½ to 3 mace per picul. Wood, earthenware, bricks, tiles, etc., from Amoy, pay as low as 5 candareens per picul. Export cargo to Amoy pays about 1 mace per picul; to Swatow, 2 to 3 mace. The capital represented by the merchandise imported annually is about $720,000; the export cargo is valued at $1,000,000. On an average, each junk is of about 1,000 piculs burden. The cost of construction may be estimated at Tls. 2,000. Owing to the scarcity of wood and the high price of labour here, the vessels are built on the mainland, where the owners dwell. Generally speaking, the cargo carried is the property of the junk-owner, but sometimes

freight is engaged by other merchants. Not unfrequently there are four of five shareholders in one ship. A certificate or ship's paper is issued to these vessels, stating the name of the owner, original port, number of crew, number of firearms on board, number of masts, and the carrying capacity in piculs. There is no form of Native insurance in Formosa. Cargoes are never insured; so that shipwreck entails loss of value of vessel and cargo. The proceeds of cargo, when sold, are re-invested in merchandise, which is carried on the return trip. Bullion is exported and imported by steamer, never by junk. Junks trade between Namoa, Foochow, Chinchew, Changchow, Swatow, Ningpo, and Anping.

Some 200 junks arrive at and depart from Takow in the course of a year, varying from 400 to 1,000 piculs burden. The import cargo is of the same description as that of the junks trading with Anping, and their export cargo consists chiefly of rice, ground-nut cake, beancake, and rattans. Crews vary in number from 10 to 20 men, who usually belong to the place on the mainland where the ship was built. The vessels cost from $300 to $1,000, according to size. Dues are paid to the Magistrate at the rate of $0.60 per 100 piculs, and to the Chên-t'ai at the rate of $1 per 100 piculs, under the same conditions as at Anping. No import or export duty is charged on merchandise, but Likin is charged on exports according to tariff.

Each year about 20 small vessels, of a kind called *ch'ien-féng*, cross over from Amoy to load pineapples. Small vessels also trade between

the Pescadore Islands and Tainan; they bring pigs, fowls, eggs, and ground-nuts. From Takow they coast round to the east side of the island and do a trade with the savages, bartering cloth, fruit, knives, and various trifles bought here, against rattans, wheat, and firewood. On their return to the Pescadores they carry rice. Some 250 vessels in the year visit Tung-ching, a port 15 miles south of Takow, whence there is a large export of rice.

At both Takow and Anping there are so-called cargo-boats. They are small junks, varying from 150 to 600 piculs burden. They register at the Foreign Customs, and their special work is carrying cargo from and to ships at anchor in the roadsteads. At Takow there are 40 cargo-boats, divided among six owners; and at Anping, 71 boats, divided among 42 owners. Those at Takow average a larger size than those at Anping, where small boats are more convenient, owing to the shallow water on the bar and in the river. When not employed by the shipping, these boats trade along the coast of Formosa and to the Pescadores, or engage in fishing. Some of the larger Takow boats, which are owned by Chinese living at Namoa, Swatow, or Amoy, cross over to these places at the end of the Formosa sugar season, and are laid up for the summer or engage in the local trade.

There are no native banks or banking agencies in this district. Loans are effected from the rich merchants at the rate of 12 per cent. a year, and the same merchants give drafts on their firms or agents on the mainland.

Dollars and cash are the local currency. There are no Native or Foreign bank notes in circulation; but rolls of $50 each, done up in paper bearing the stamp of the hong issuing them, circulate freely when there is no question as to the standing and respectability of the hong. The rolls may contain $50 in any condition—broken, cut, or otherwise,—and even counterfeit dollars are included. When a roll is eventually opened or the paper is worn out, the bad dollars are made good by the hong which stamped it. Each roll is supposed to weigh 34 taels, but seldom turns out over 33 70 taels. The Customs Bank receives the roll at Tls. 33.25, and the Hongkong and Shanghai Banking Corporation at Tls. 33 50. Dollars all pass by weight, whether clean or "chop," and they are chiefly Japanese coins. Payments in Formosa between Natives are made at the rate of $100=Tls. 68, but to Foreigners at the rate of $100=Tls. 73. For instance, if a Foreign merchant were to sell a chest of opium through his comprador for $300, his compardor would pay him 219 taels' weight of dollars. But $300 at Tls. 68 weigh 204 taels only; and the compardor would have to collect a weight equal to $322.06 at Tls. 68 from the purchaser of opium in order, without loss to himself, to pay his principal, $300 at Tls. 73.

Constant robberies in the neighbourhood of the port rendered it advisable to organise, in the spring of 1891, a guard for the bonded opium godown at Anping. The guard is composed of 20 men, who are taught a simple drill and how to handle a rifle and sword

bayonet. They keep watch round the godown at night-time. With this exception, there have been no noteworthy additions to the staff of the Custom House.

The Dominican is the only Roman Catholic mission in the island, and began work in 1895. The head-quarters are at Takow, where the Rev. F. B. Herce, the head of the mission, resides. The following is a statement of the mission stations :—

Tainan Prefecture :—

Fêng-shan district: 3 Spanish priests, 4 Foreign churches, 1 Chinese church, 1 foundling hospital (looked after by Native women).

Anping district: 1 Annamese priest, 1 Chinese church.

Chia-i district : 1 Spanish missionary, 1 Chinese church.

Taiwan Prefecture :—

Yü-lin district: 1 Chinese church.

Chang-hua district: 1 Spanish priest, 2 Chinese churches.

Total.

7 Foreign priests, 4 Foreign-style churches, 6 Chinese-style churches, 1 Chinese-style foundling hospital.

The head-quarters of the English Presbyterian Mission, the only Protestant mission in South Formosa, is in the city of Tainan. Here all the members, with one exception, dwell together in one compound, visiting their country stations from time to time. In Tainan city the mission has a hospital, a college, a school for the blind, and a girls' school. To carry on the work there are altogether 10 missionaries, including a doctor and

three ladies. Dr. Russell, of the same mission, has a hospital at Tashê, in the Chan-hua district, where he resides. The following is a statement of the mission stations :—

Tainan Prefecture :—

Fêng-shan district: 14 Chinese chapels, 12 Native preachers.

Anping district : 5 chapels, 5 preachers.

Chia-i district : 9 chapels, 5 preachers.

Taiwan Prefecture :—

Yü-lin district : 3 chapels, 1 preacher.

Chang-hua district : 7 chapels, 4 preachers.

Taitung, independent Department :—
4 chapels, 2 preachers.

Pescadore Islands, at Ma-kung :—1 chapel, 1 preacher.

Total 43 chapels, 30 preachers.

The English Presbyterian Church first began its mission in China in 1847. In 1854 Amoy fixed upon as the centre from which to conduct operations. In 1859 work commenced at Swatow, and in 1865 in Formosa ; the city of Pitao was occupied in 1867, that of Tainan in 1869, and that of Chia-iin 1875. The Pepohoan, or civilised aborigines of the south, were reached in 1869, the Shekhoan, in the north, in 1871. In a report on the mission to Formosa for 1889 the following account of the progress made is given :—"The entire adult membership of the churches connected with our own and with the Canadian mission numbers about 4,000, while most hopeful results have been already been obtained from the training of those who are to become Native pastors and evangelists of the church. It is long since several of our congregations became

self-supporting; and what may be called a genuine Foreign mission movement exists in the attempt now being made to establish Christianity among the people of a neighbouring group of islands called the Pescadores. The mission to these islands was started about two years ago and all the expenses connected with it have been cheerfully borne by our Native brethern themselves." According to a report issued by the the English Presbyterian Mission for 1890, there were in that year, in South Formosa 1,208 adult church members, composed of Chinese, Hakkas, Pepohoan, and Sekhoan, who contributed $2,511 during the year to the support of the church. To give an idea of the work carried on by the mission, I cannot do better than quote from the Rev. W. Campbell's letter, kindly written in reply to my request for some information on the subject: — "One subject which has been engaging our attention of late is a proposal of the Reformed Church of Holland to resume that the work which was carried on so successfully 200 years ago among the aborigines of the island. Our own work in that part of Formosa is now making a very encouraging amount of progress. In carrying on this we have been greatly helped by the use of books which represent the sounds of our colloquial in Roman letters. The entire Scriptures have prepared in this form, and our literature is rapidly increasing. Even dull pupils are able to read by this method in a few months. At our press in Tainan-fu we publish a monthly paper, for the use of our people, in Roman letters, and it has now a circulation of [illegible] copies. With regard

to the work for the blind, I may say that a very encouraging commencement has been made. One of our pupils is now a preacher at a southern station, and another is at present in the city of Chinchow, above Amoy, assisting in the commencement of similar work there. We use the Braill dotted system and our blind pupils are able to prepare stereotype plates and print their own books. They correspond by means of embossed letters with their fellow-pupils on the mainland. At the General Missionary Conference held at Shanghai in 1890 a permanent committee for the whole China was appointed to look after this branch of work. Its thoroughly practical nature, with the fact of their being so many in China, command it to interest of friends both here and at home. The labours of our lady missionaries also contribute their own full share to the successful progress of the mission. They have a girls' boarding-school in the city here, but spend much time at our widely-scattered country stations." Mr. Campbell's college curriculum extends over four years, and the students are taught Bible study, church history, the Chinese classics, geography, and arithmetic.

Dr. Anderson has also kindly given me the following information in regard to the medical work of the mission:—"We have both out-patients and in-patients. The former are seen twice a week, on Tuesdays and Fridays. From 30 to 40 is the average seen each out-patient day. This average has not varied during the last 10 years. As regards in-patients, we have in our hospital accommodation for 80 people,

and during the present year we have had that number more than once. The diseases treated are, in the order of frequency, malarial fever and its sequelæ, eye and skin affections (including leprosy), chest complaints, and surgical diseases of all kinds. I can hardly say that the Chinese generaly, come to us 'freely' in case of accident. I occasionally hear of cases of accident and injury in the city which I never see. Ignorance of the existence and whereabouts of the hospital on the part of the injured accounts for this so far; but prejudice has still, I fear, considerable sway over a section of the people, and powerfully affects some especially of the upper and middle classes."

From a report on the mission hospital at Tainan for 1889, I gather the following statistics:—

Number of visits by out-patients	8,277
Number of in-patients	629
Visits to patients in their own homes	241
Patients seen in the country	409
Total	9,556

	$
Income for the year	1,510
Expenditure for the year	1,400

Of the income, $655 were subscribed by various Chinese (including the Taot'ai) and the Foreign residents and missionaries of Taiwan; the rest was chiefly the proceeds from the sale of medicines. I understand that money for a new hospital has been

provided by the mission, but that there is some difficulty in procuring a site. In 1884 the Governor of the island was so impressed with the benefits some of his troops received from the hospital that he sent Dr. Anderson $200 as a donation for its support.

The Rev. T. Barclay, of this mission, wrote a very interesting paper on the "Aboriginal Tribes of Formosa" for the Missionary Conference held at Shanghai in 1890. He divides the aborigines into Pepohoan, or level plain aborigines, and Sekhoan, or civilised aborigines from which two classes about three-fourths of the membership of the mission's South Formosan church is drawn. When the Chinese got possession of the island they found the level country between the mountains and the sea inhabited by various tribes with some degree of civilisation; they had no written language, except what they had learned from the Dutch missionaries, who had just been driven out.

The Chinese gradually dispossessed these tribes, who retreated to the low hills fringing the high mountains, and were driven south, or crossed the island to the east coast, carrying their name with them. These aborigines now speak Chinese. In religion they follow the Chinese, the only aborigines object of worship being the skull of a wild pig. The Sekhoan live further to the north, about half-way up the island, and Mr. Barclay thinks they might just as well be called level plain aborigines. They prefer to speak their own language, some of the older people scarcely understanding Chinese, though the younger

people all learn to speak it. Below these two classes in point of civilisation come the various tribes of the mountain savages; these are known by different names in different parts of the island—Chihoan, wild savages, Kalehoan and Koansoahoan, high hill savages. These names are simply descriptive appellations given them by Chinese, and have no ethnological significance. Mr. Barclay gives a sketch of the work of the old Dutch missionaries, which is particularly interesting now that there is some chance of the Dutch Church taking up the work again.

For further information on the Dutch occupation of Formosa and Protestant missionary work in the island, Mr. Campbell's work, "An Account of Missionary Success in the Island of Formosa," should be consulted.

The Chehkiang *hui-kuan* has existed here for over 100 years, but, owing to the decline of trade between this port and Ningpo, and the consequent return of the wealthier merchants to the mainland, this club has fallen into disuse, and is now in a state of dilapidation. Many of the writers and understrappers in the yamêns were were formerly Chehking provincials, and Ningpo junks visited the port in considerable numbers.

The Liang Kwang have during the last three years spent Tls. 50,000 in the construction of a club, but, owing to the extravagant use and the misappropriation of the funds subscribed, the building has not been completed. The club is therefore not frequented,

there being only a porter in charge. No rules of membership have been drawn up.

The Fuhkien *hui-kuan* has existed here three years, but the funds are low. This club has no rules and there are no privileges attached to membership. At New Year each member subscribes $1, which is spent in a general feast held on New Year's Day.

It is fairly evident from what has been written above that no great developments can be hoped for in South Formosa during the next 10 years. It is generally supposed that the island is rich in mineral wealth; but to work mines capital is necessary, and till now the Government has hardly acted in such a way as to encourage capitalists to risk money on enterprises in the island. There is at present a scheme for forming a company to work coal mines in this neighbourhood, and a capital of Tls. 200,000 is said to have been already subscribed. The coal would be shipped from Takow or Tung-ching. It is still too early to express an opinion as to what the result will be; but if the plan be carried out, it cannot but be beneficial to this district.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between—
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reign merchants' quarter).
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PORT OF KELUNG
KELUNG
DOLLIER
TUNNEL
NUAN-NUAN

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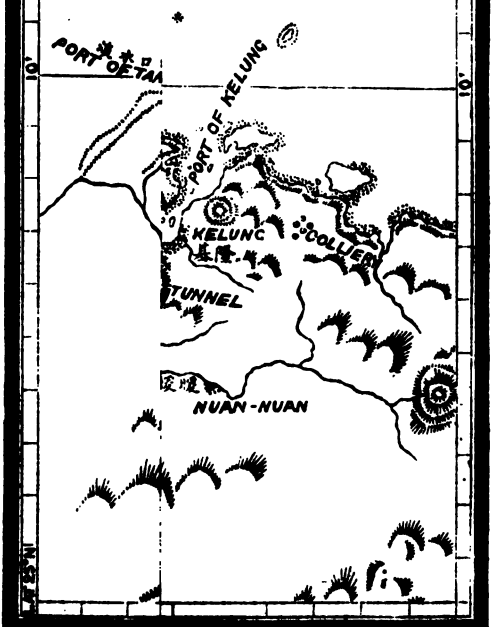

FORMOSA.

II.

Tamsui, 1892.

During 1892 prosperity seems to have smiled on every department of trade in the island. The Commissioner of Customs at Tamsui, writing on the trade of the port, says:—"Values and revenue are at high-water level, and the wellbeing of the merchants has not been so well cared for during many years." It is reasonable to suppose that had there not been troubles with the aborigines on the savage border at Tokoham which, though patched up before the summer, were not by any means finally disposed of, there would have been even a better story to tell, for during the year the supply of camphor from that region was almost entirely stopped, owing to the unfriendly relations between the "savages" and the Chinese traders. Only one year—1891—has eclipsed 1892 in a revenue-yielding point of view at Tamsui, the year's collection amounting to the very respectable total of Hk. Tls. 635,080, which only fell short of its

predecessor by some three thousand taels. This, however, does not imply that the trade of the port was smaller than in the preceding twelve months, for we find that every branch of business exhibited an increase, as compared with the preceding years, as the following table shows:—

	1890.	1891.	1892.
	Hk. Tls.	Hk. Tls.	Hk. Tls.
Net Total Foreign Imports ..	1,752,268	169,771	1,781,156
" Native " ..	468,417	501,537	560,888
Exports of Local Origin	3,302,070	3,101,366	3,427,589
Net Value Trade of Port	5,523,255	5,302,674	5;772,583

Foreign imports amounted to Hk.Tls. 1,804-330, of which Hk.Tls. 1,534,416 were from Foreign ports, Hongkong chiefly. This trade had been relatively expansive, as shown by values and the revenue collected; but it was a subject of regret that so large a proportion of Tamsui products was paid for in treasure, and that the local demand had not stimulated to a greater extent the general import trade. Cottons had fallen off in the import of plain kinds, such as grey shirtings, white shirtings (less by 40 per cent.), and *T*-cloths; while fancy varieties, such as dyed and printed shirtings, twills, and *T*-cloths, and cambrics, lawns, and muslins, were imported in larger quantities. Japanese cotton cloth continued to increase, the 1892 figures being nearly double those of 1891; the import—62,444 pieces, each about 13 yards long by 20 inches wide—would represent, approximately, 21,000 pieces of 32-inch *T*-cloth, or, say, 12,000 pieces of shirtings; the Japanese product, coming in Nankeen dimensions and at Nankeen

prices, appeared to supply an existing demand in Formosa. It may be noted in this connection that the imports of Native cotton cloth (Nankeens) and of grass-cloth were each more than double the 1891 figures. The total value of Foreign cottons imported fell from Hk.Tls. 270,005 in 1891 to Hk.Tls. 220,911 in 1892, white shirtings alone being less in value by Hk.Tls. 62,718. Woollens about maintained the 1891 figures. Metals were more in value by over a third, chiefly caused by the increase in the import of lead for tea-packing purposes, having risen from 9,550 piculs to 15,327 piculs. Among sundries, the chief points to be noted are the increase in fish and fishery products from a value of Hk.Tls. 71,928 in 1891 to Hk.Tls. 110,766 in 1892, the increase in matches from 116,700 gross to 136,450 gross, and the development of the kerosene oil trade; this trade has grown up at Tamsui within 10 years, imports in 1882 being 8,000 gallons, 884,420 gallons in 1891, and 1,406,050 gallons (valued at Hk.Tls. 141,482) in 1892. Of the 1891 imports, 845,420 gallons, or 95 per cent., were American and 39,000 gallons were Russian. In 1892 strong efforts were made to push the Russian product, and of the total import, 568,080 gallons (40 per cent.) were American and 937,970 gallons (60 per cent.) were Russian. Several points helped the Russian oil: the cases, after a voyage shorter in length and much shorter in time, present a cleaner appearance on arrival and show less sign of leakage; the oil is laid down at about half a cent a gallon under the

lowest-priced American, but finds a ready sale at prices closely approximating those of the latter; and while the importer thus profits by handling this oil, the dealer finds it no less to his advantage, since the small consumer makes little distinction between qualities. Should it be found possible to extend to Formosa the plan of transporting and storing oil in bulk, Mr. MORSE says a great increase in consumption may be looked for.

The tea trade of Tamsui fairly flourished last year, the export of black tea reaching 136,736 piculs, worth Hk.Tls. 2,929,747 or Hk.Tls. 216,657 more than in 1891. A great deal of information very interesting to teamen is given in the report, from which it appears that the chief factors in the satisfactory results of the year's operations in the leaf were the exceptional freight opportunities and the low exchange.

Five foreign firms in Amoy have representatives at Tamsui, who buy and fire the leaf for shipment to America, and these five firms supplied a third of last year's export, the remainder being done by the 95 Chinese firms who supply the Amoy market. The camphor trade did not do so well, because of the reasons before mentioned, the total export—piculs 12,969, worth Hk.Tls. 228,226—falling short of that of the preceding year by 3,791 piculs. Prices ruled steady from $38 to $40 a picul during the greater part of the year, but a flurry in speculation and the loss at sea of 3,000 piculs of Japanese camphor in the

last quarter sent the rate up to $55 and $57 at the end of the year.

The export of coal dropped to little more than half the 1891 export. The Foreign engineer in charge of the Government colliery was discharged at the end of 1891; thereafter an appearance of work was maintained, but, it is stated, only as long as the stocks in hand remained unexhausted; finally, work was stopped officially on 13th November 1892. Henceforth, until a new Government mine may have been opened, Mr. MORSE says, cargoes will have to be made up from private workings; that these may be relied on to supply a fairly large out-turn, if unhampered by legislation, is shown by the quantity—40,000 tons and 45,000 tons—shipped in 1872 and 1873 respectively before the Government colliery worked by Foreign machinery was in operation. The coal export cargoes during the last two years were supplied as follows: in 1891, by Government colliery, 7,469 tons; by private pits, 20,481 tons, or 73 per cent.; in 1892, by Government colliery, 5,250 tons; by private pits, 9,253 tons, or 64 per cent. The bunker coal supplied from Government stocks to gunboats and transports is not included in these amounts. Sulphur declined to less than half the 1891 export. A noticeable feature in the year's trade is the resumption of the export of Formosan rice. Early in the year rice was imported, as has been usual for some years past; but the abundance of the first crop of home-grown rice led to shipments amounting to 33,035 piculs.

Typhoons and floods so injured the second planting as to give but half a crop, and importation from Shanghai began again in November.

The movement of treasurer at Tamsui during the year was unusually heavy, Mexican dollars to the value of Hk.Tls. 1,453,459 being imported, which was exceeded by only one year —1889—when the recorded value of the tea exported was greater than the previous year by four lakhs of Haikwan Taels. Referring to opium the report says speculation in the winter and low prices in the first half of the year led at first to a great increase in the local consumption of opium. The price of Persian, up to the middle of July, averaged Hk.Tls. 347.50, and deliveries of all kinds, tax-paid, to 31st July were 1,362 piculs, against 1,198 piculs to the same date in 1891, an increase of 15 per cent. In the latter half of the year the price of Persian ranged from Hk.Tls. 400 to Hk.Tls. 445, and deliveries during the last five months fell from 983 piculs in 1891 to 742 piculs in 1982. The local consumption during the whole year was less than in 1891 by 77 piculs. Of the opium tax paid, 92 per cent. was Persian. It is believed, Mr. Morse says, that no opium is grown in the inland, and statistics of import are most difficult of access.

During the year the railway was extended to the south nearly to Hsin-chu (Teckcham on the maps), and trains now run from Taipeh to Kelung—20 miles, and about 35 miles to the south-west. Engines and cars have much deteriorated, and traffic has been greatly

interrupted by damage caused by floods; but the work of repair has been promptly taken in hand, and new rolling stock has been ordered. The line is very popular with the people having access to it.

TAINAN, 1892.

FROM no standpoint, says the Commissioner of Customs, can Tainan trade for the year 1892 be considered in a favourable light. The year will always be remembered for its succession of typhoons and earthquakes—sandwiched the one between the other,—with the resultant of poor crops and general distress. The depression amongst the Natives have been such as to force contentment with but the mere necessaries of life—obtainable for the most part on the spot—and greatly to restrict the sale of Imports and check the outflow of Exports. Nor are the prospects for 1893 reassuring: typhoons in July and October caused an immense amount of damage to the standing crops, and it is predicted that the export of sugar will be considerably smaller than for many years past. The total net value of the trade during the year was Hk.Tls. 2,932,311, as against Hk.Tls. 3,131,260 in 1891, showing a decrease of Hk.Tls. 198,949.

The camphor trade in Formosa rose to very large dimensions last year, during which, as Mr. Consul WARREN tells us, in his annual Report upon the trade of Tainan, no less than 5,441 cwts. of the valuable gum were exported

to Hongkong, against 2,524 cwts. in the preceding year, which was the best on record, the only approach to it being in 1885, when the export reached 2,065 piculs or 2,457 cwts. Large as the quantity exported last year was, the Chinese assert that the yield was smaller than in the preceding year, owing to the productive district of Tokoham, which is only a 100 *li* from Tamsui, having been visited by the "savages," who killed a number of Chinese working at the stills, besides destroying a vast quantity of camphor which they found in a state of preparation or packed up ready for carriage to the coast. Despite such periodic discouragements to the Chinese camphor merchants and the few Foreign firms, who, tempted by the high prices of the past few years, have engaged in the trade, it promises to be developed to even a greater extent in the immediate future. The rise in the market value of this now indispensable commodity, consequent upon the discovery of smokeless powder, gave the collection of the gum in the Formosan forests a great stimulus, but the subsequent successful trials of other ingredients producing the same effect in the new powder had a lowering effect upon the industry. The cholera scare in Europe last year, however, and the likelihood of its continuation again this year, coupled with last season's short crop in Japan, have had the effect of lifting the price of the gum once more, and we are not surprised to hear that more Foreign firms than ever are engaged in making friendly arrangements with the wild tribes of the

interior, for the collection of camphor and the erection of stills in remote places. Mr. EDGAR, the Commissioner of Customs at Tainan, gives us an idea of the somewhat comical advances which the Chinese and Foreign camphor merchants make to conciliate the Formosan aborigines, so that they may gather the valuable product of the camphor trees in peace and quietness. The headmen of these tribes, it would seem, each receive a monthly stripend of 30 cents for each still set up to allow the collection distillation to proceed without molestation. A few pigs are thrown into the bargain and an unspecified quantity of samshu to provide a carousal, with which all such unwritten treaties in Formosa are ratified, and the arrangement is perfect. In camphor the loss in weight between shipment at Formosa and reshipments at Hongkong is great—some 15 to 20 per cent.,—partly due to the wetting after production, and partly to the amount of essential oil given off by the article during transit. Northern Formosan firms, Mr. WARREN says, have commenced to press the camphor immediately after leaving the stills, thereby removing the excess of oil and moisture before packing; the home reception of this now departure has not yet been reported. The stills, it is said, are poor; they are manufactured by the Natives on the spot, where the trees seem likely to yield the best return. Foreign stills would be too cumbrous for transportation inland. The difficulty of transporting machinery over the inaccessible places on which the camphor

trees usually perch forbids the use of Foreign appliances. Around Chipchip vast forests of camphor exist, and it is to be hoped that the day will soon arrive when these—now under a ban through internal disturbance—will be opened to Foreign enterprise."

Mr. WARREN expresses his belief that there is no fear of the camphor supply of Formosa becoming exhausted for many years—some hundreds, according to the loose method of Chinese computation—as the centre of the island is very thickly wooded, but it is still a matter of regret that the officials take no steps to enfore planting—rather a vain regret, we should say, considering that no official will advance into the savage country except when escorted by an overwhelming force of braves, who are in perpetual terror of the aborigines in whose country the camphor trees grow. The camphor districts which supply Tainan are apparently inhabited by a much more tractable race of people than those who make the life of the camphor gatherers who supply Tamsui anything but attractive and secure. But with the prices for camphor running up as high as £8 14s. a picul at Hongkong, it is only to be expected that those engaged in the trade get heavy profits for the risks their coolies run. In concluding his observations on the industry generally, Mr. WARREN gives us another instance of the sort of obstruction which the Chinese officials make to every fresh effort of Foreign merchants to open new or develop old branches of trade in China. He writes:—Although the Government monopoly

has been abandoned, there are not wanting signs of an attempt on the part of certain subordinate officials to create a monpoly in one of the richest of the central camphor districts. In Yün-lin, lying to the east of Changhwa, there are one or two Chinese hongs engaged in the camphor business. These hongs give employment altogether to six camphor distilleries, the only ones at present in the place. Foreign merchants are anxious to start a business in Yün-lin, but are prevented by the action of the so-called camphor office, the official in charge asserting that under the camphor regulations of 1869 Foreign merchants or their Chinese employés are allowed to purchase camphor up country, but that no provision is made for their employing Natives to distil Camphor; that, in consequence, unless they can purchase camphor from the distilleries already at work they cannot be permitted to engage in the business, as to hire labour for the distilling of camphor is contrary to the regulations since made by the Governor of the island. The objection raised is of course frivolous in the extreme, but not the less likely on that account to interfere seriously with the interests of the Foreign merchants engaged in the camphor trade here.

The usual spring campaign against the savages of the Nan-lu, or southern district, took place. In July the general commanding, WAN KUO-PÊN, at the head of some 1,200 troops, made an incursion into the territory of the *Shê-pu-li* clan, to exact reprisals for a murder perpetrated by this clan on a Chinese.

Early in December he returned, successful, the savages having retired into their hilly fastnesses. The designation of this clan was subsequently altered to *Shan-hua-shê*, or "converted clan," and of its leaders three were seized, one, by name P'AN PÊN-CHIEH, suffering decapitation at Tainan-fu. It is interesting to note that these savages of the Nan-lu are divided quite methodically into 36 clans, some numbering thousands of members, their hostility to Chinese being as marked as their amicability to Foreigners. In 1892 both Anping and Takow have been racked by typhoons and rent by earthquakes in a manner unexpected; on the 22nd April the severest shock of any within "the memory of the oldest resident" was sustained. As for typhoons, it is reckoned that not less than 12, of a more or less damaging character, took place, dealing destruction to the crops and penury to the farmers. In October occurred the distressing wrecks of the steamers *Bokhara* and *Normande* —both at the Pescadores—so fully described in home and eastern journals.

The values of Imports and Exports in 1892 were as follows:—

	Hk.Tls.
Net Foreign Imports, market value	1,208,907
Net Native Imports, market value	191,113
Net Imports	1,400,020
Deduct Duties on goods other than opium paid at Tainan	19,411
Net Imports, *minus* Duty	1,380,609
Deduct 7 per cent. for importers' profit, etc.	96,643
Imports, value at moment of landing ...	1,283,966

	Hk.Tls.
Original Exports, market value...	1,532,291
Add Duty paid at Tainan	86,811
Exports, *plus* Duty...	1,619,102
Add 8 per cent. on market value for exporters' profit, etc.	122,583
Exports, value at moment of shipment ...	1,741,685

Tamsui, 1893.

According to the I. M. Customs Trade Report for 1893, never in the history of the port has its trade, as gauged by values, assumed such prosperous dimensions. The total net value of trade in 1893 was greater than in 1892 by Hk.Tls. 2,077,368, or 36 per cent.; to this surplus the increased value of Tea exported contributed Hk.Tls. 1,111,381, and the increased value of a decreased import of Opium contributed Hk.Tls. 133,473. Much of the increase observable, in so far as it was not caused by greater quantities, must be attributed to the fall in silver. The Opium consumed in Formosa is produced in Persia, and the price paid has to be adjusted to exchange; while the values of Tea and Camphor are settled in gold-using countries, and are consequently enhanced when expressed in silver. As Tamsui exports much more than it imports, and as the silver dollar unquestionably remains unaltered in its relation to the necessary living expenses of the people, it would seem safe to assert that the monetary confusion which

brings uncertainty to the merchant means prosperity to the people of this district. The troubles with the aborigines on the Tokoham border are far from being settled; they simmered along during the early part of the year, but assumed a more active phase with the approach of autumn. An interesting experiment is now to be tried at Tokoham: the troops, except a small body, are to be withdrawn, and the border settlers are, at their own request, to be armed and given full liberty to protect themselves.

The year's collection, Hk.Tls. 706,291, exceeds that of 1892 by Hk.Tls. 71,212, and is greater by over 10 per cent. than the previous highest total. The surplus over 1892 came from Export and Coast Trade Duties and Tonnage Dues, while general Import Duty, Opium tax, and Transit Dues were less. Export Duty was greater by Hk.Tls. 74,655.

The railway at the end of 1893 was running as far as Hsin-chu, a total length of 60 miles being open for traffic; it is stated that extension further south is to be deferred for the present. New rolling stock was brought into use in the summer, and the opportunity was taken to double all rates. Traffic declined promptly, and now, after six months' trial, the gross receipts are considerably less than when the rates for passengers and goods were lower.

The value of the Import and Export trade of 1893 was as follows.

	Hk.Tls.
Net Foreign Imports, market value	2,137,805
Net Native Imports, market value	947,417
Net Imports	3,085,222
Deduct Duties and Likin paid at Tamsui...	271,100
Net Imports, *minus* Duty	2,814,122
Deduct 7 per cent. for importers' profit, etc.	196,989
Imports, value at moment of landing ...	2,617,133

	Hk.Tls.
Original Exports, market value...	4,764,729
Add Duty paid at Tamsui	432,923
Exports, *plus* Duty...	5,197,652
Add 8 per cent. on market value for exporters' profit, etc....	381,178
Exports, value at moment of shipment ...	5,578,830

TAINAN, 1893.

THE trade of Tainan during 1893 was considered bad. The Commissioner of the Imperial Maritime Customs, in his report for the year, says:—

The partial failure of the Sugar and Rice crops at the end of 1892 reduced the Exports, and the Imports decreased in consequence. The total value of the trade for the year amounted to Hk.Tls. 3,295,869, or Hk.Tls. 363,558 more than for 1892, which seems to contradict the assertion made above; but it must be noted that the 1893 Returns include, for the first time, Duty and Likin in the values

of Opium, and that, consequently, in order to make a fair comparison of values with those of any previous year, Hk.Tls. 110 (amount of Duty and Likin) must be added for every picul of Opium to the values of that year. Making the necessary addition to the 1892 figures, the true value for that year is found to have been Hk.Tls. 3,266,271, or Hk.Tls. 29,598 less than for the year under review. This small increase in value on a largely decreased volume of trade is due to the fact that the prices for Sugar, Camphor, and Opium were much higher during the year than in 1892. The prospects for 1894 are brighter: the growing cane and Rice received no great damage during the autumn, and a much larger crop of Sugar is confidently expected. It is now asserted, however, that the Sugar cane, which looked exceptionally strong and fine, is not yielding well, owing to lack of rain during the latter part of the year; but this report may be only an attempt to "bear" the Sugar market.

The total collection, Hk.Tls. 384,074, is Hk.Tls. 60,037 less than that for the previous year, and the smallest since 1887. The Import Duties, exclusive of Opium, dropped from Hk Tls. 18,080 to Hk.Tls. 14,817; Export Duties from Hk.Tls. 86,811 to Hk.Tls. 76,368; Opium Duties, from Hk.Tls. 91,088 to Hk.Tls. 78,213; Opium Likin, from Hk.Tls. 242,902 to Hk.Tls. 208,569,; and Tonnage Dues, from Hk.Tls. 2,362 to Hk.Tls. 2,105; while Coast Trade Duties and Transit Dues show slight gains.

The following is a *résumé* of Imports and Exports :—

	Hk.Tls.
Net Foreign Imports, market value	1,596,166
Net Native Imports, market value	127,852
Net Imports	1,724,018
Duduct Duties and Likin paid at Tainan ...	303,375
Net Imports, *minus* Duty	1,420,643
Deduct 7 per cent. for importers' profit, etc.	99,445
Imports, value at moment of landing ...	1,321,198

	Hk.Tls.
Original Exports, market value...	1,571,851
Add Duty paid at Tainan	76,369
Exports, *plus* Duty...	1,648,220
Add 8 per cent. on market value for exporters' profit, etc....	125.748
Exports, value at moment of shipment ...	1,773,968

Tamsui, 1894.

According to the Tamsui Trade Report of the Commissioner of I. M. Customs for 1894, the great increase in the value of the trade of the port observable in 1893 was fully maintained in the year now reported on; and there was even an advance of Hk.Tls. 455,997 over the former year, attributable partly to the increased value of war material which was not subsequently reshipped to other Formosan ports, partly to the slightly enhanced value of a diminished export of Tea, but chiefly to a marked increase in the value of the Foreign Import trade. The

increased value of war material and of a smaller import of Opium is offset by a reduction of Hk.Tls. 248,773 in the value of Chinese produce imported, occasioned by diminished imports of food products and by the withdrawal, on the outbreak of war, of shipping under the Chinese flag employed on the Shanghai route; and the total increase in the trade gauges very nearly the increase in the value of general Foreign Imports, the Duty collected on which rose from Hk.Tls. 32,899 to Hk.Tls. 45,145. The war seems to have produced but little effect on trade: both Imports and Exports were somewhat quickened at first, under the apprehension of a hostile attack or blockade; but trade soon resumed its normal course, and the only effect of the war stimulus was to offset the extra freight charges caused by the additional risk to shipping arising from the laying down of torpedoes and the removal of aids to navigation at the end of July.

The collection, Hk.Tls. 662,197, while it was Hk.Tls. 44,094 under the high figure for 1893, was still well ahead of any year previous to that.

Foreign Imports were valued at Hk.Tls. 2,892,951, of which Hk.Tls. 2,260,727 came from Foreign ports, chiefly Hongkong. The total shows an increase of 34 per cent. over the figures of 1893; but deducting the value of Opium in bofh years, the advance was over 50 per cent.; and deducting again the value of war material, the increase was 35 per cent. In other words, the people were able to pay for necessities and luxuries of Foreign manu-

facture a third more than in 1893. Much of this increase in the value of Foreign products consumed (I estimate it between 15 and 20 per cent.) comes from the enhanced silver cost of goods which must be paid for in gold. To illustrate this, we may take the most important items in each of the four headings, Opium being excluded from the present comparison: Grey and White Shirtings increased in quantity 42 per cent., and in value 64 per cent.; Camlets rose 30 per cent. in quantity and 44 per cent. in value; Lead, 31 per cent. in quantity and 55 per cent. in value; and Kerosene Oil, 58 per cent. in quantity and 80 per cent. in value. In my Report for 1893 I referred to the prosperity which inflated silver values were likely to bring to the producers of this district; in 1892 they were paid for their Tea at the rate of Hk.Tls. 21.43 a picul, which was increased in 1893 to Hk.Tls. 24.81, and in 1894 to Hk.Tls. 26.26. The direct result is visible in the increased quantity of Imports consumed, but the reverse of the picture begins to be observable in the higher price paid for those Imports. Cotton Goods of all kinds gained in quantity, the total number of pieces being greater by 44 per cent. for the products of Western looms, and 74 per cent. for Japanese fabrics. Notwithstanding the disturbing element of exchange, value will give us a better standard of comparison than pieces of differing dimensions; and I continue here the comparison made in 1893, showing the progress of the competition between Western and Asiatic looms and spindles:—

—	1892.		1893.		1894.	
	Hk.Tls.	p. c.	Hk.Tls.	p. c.	Hk.Tls.	p. c.
Western Cotton products...	194,419	68.6	196,773	60.6	331,825	65.0
Indian Cotton products.....	10,280	3.6	14,288	4.4	23,898	4.7
Japanese „ „	16,048	5.7	26,563	8.2	50,313	9.8
Chinese „ Cloth	17,490	6.2	24,334	7.5	30,328	5.9
„ Grasscloth	45,142	15.9	62,634	19.3	74,818	14.6
	88,960	31.4	127,819	39.4	179,357	35.0
TOTAL.....	283,379	...	324,592	...	511,182	...

Woollens also increased both in quantity and value, but the total is not of sufficient importance to call for special remark. In Metals the only item of interest is Lead, and of this article of prime importance to Tea-packers the

import exceeded that of 1893 by 4,466 piculs, though the Tea export demanded nearly 1,000 piculs less; stocks, which were almost *nil* at the beginning, were heavy at the end of the year, partly for speculation in view of a possible blockade, partly to ensure tea-packing for next season. Among Foreign Sundries, Japan Matches advanced from 142,900 to 203,000 gross of boxes, an increase due partly to the fear lest the war should tend to curtail the supply or to restrict the circulation of Japanese products on Chinese soil, but chiefly to an increased use of these labour-saving contrivances. Kerosene Oil increased from 872,900 to 1,377,325 gallons, of which 66 per cent. were American and 33 per cent. Russian, against 49 and 51 per cent. respectively in 1893; a fact to be noted is the first importation, in November, of a small quantity (21,000 gallons) of Lankat Oil, produced and refined in Sumatra, invoiced at about the same value as American Oil.

The direct Foreign Export trade (entirely to Hongkong) was valued at Hk.Tls. 603,708, giving a slight decrease. Camphor represented 91 per sent. of the value of this trade in 1894, the total shipments having been 27,811 piculs. The exceptional export of 1893 was maintained, but prices steadily fell, until in June the quotation in Hongkong touched $32 a picul, which may be considered the lowest limit of profitable production. Under the influence of the war scare, and with the fear of a blockade looming ahead, Hongkong quotations went with a bound, in the middle of August, to $60

and $65, but ultimately settled down to a general level of about $45 a picul. At the close of the year the production of Camphor was much restricted by the incursions of the savages, from whom all restraint was removed by the withdrawal of the frontier troops for duty on the coast.

The value of Re-exports to Foreign ports was Hk.Tls. 6,779.

Exports of Tea to all destinations, but mainly to Amoy, amounted to 154,003 piculs, less than in 1893 by 9,311 piculs; Oolongs were less by 12,893 piculs, while Pouchongs increased 3,582 piculs. Buyers, warned by their previous year's experience, were shy, and refused to take leaf at prices offered, being encouraged in this by the dull state of the market in New York, where fully 100,000 half-chests of inferior Tea still remained unsold in April: the struggle continued until the middle of May, when shippers gained a temporary victory, securing their Teas at reasonable rates. This advantage was, however, soon forfeited, and during June prices were for quality nearly as high as in 1893. The New York market took a turn for the better in July, and prices paid and quantities shipped increased from that time, the quality of the leaf being good in general average, but with little of choice grades offering. As to the state of the market in Amoy at the close of the season, I am permitted to quote from a Tea letter, dated the middle of December, when all Formosa Oolongs had been cleared off from that market, as follows: "The general

quality of the later purchases has been the most desirable known for many years past, some of the best strings of the season having been held over until the end; while the trashy Teas that so injured the reputation of Formosas at the end of last year were, we are glad to say, conspicuous by their absence in the present autumn crop." With their experience of 1893 in mind, buyers took a strong stand on the Dust and fraudulent leaf questions; by agreement they have sifted out the Dust from Teas offered containing more than 15 per cent., making no allowance on the per picul price; and they have refused to bid for lots containing other than Formosa leaf. As a result, the Teas have in 1894 been very cleanly packed, and a start has been made in checking the malpractices which tended to injure the reputation of Formosa Tea. Foreign buyers have gravitated in the direction demanded by modern conditions, and have bought in the producing market more largely than before; up to 1892 Tamsui settlements did not exceed a fourth of the whole, in 1893 they amounted to about a third, and in 1894 were quite half of the total quantity shipped. There seems to be no good reason for a continuance of the practice of loading up the price of Tamsui Tea with the needless cost of storage and re-handling at Amoy; and the necessity for eliminating all avoidable transit charges, and for removing all burdens not absolutely required in getting products from the producer to the consumer, must lead, with no undue delay, to direct settlements of

Tamsui Teas at Tamsui. Declared exports of Formosan Gold rose again to a value of Hk.Tls. 109,948: this only shows that dealers in the metal have been able to obtain lots large enough to ship, and that fewer small parcels have been taken away by passengers: the industry was not more developed in 1894 than in 1893. The export of Coal on merchants' account was prohibited on war being declared, and shipments in the second half of the year (except small bunker supplies) were entirely on Government account. Great difficulty has been experienced in obtaining labour for the Native workings, with the counter-attractions of gold-digging and enlisting; but the shipments equalled the 1893 export, the demand having been stimulated by the Coal famine which prevailed on the outbreak of war.

The value of these was Hk.Tls. 163,648 for Foreign goods and Hk.Tls. 30,857 for Chinese produce.

The value of net Native Imports from home ports was Hk.Tls. 698,644, less than in 1893 by Hk.Tls. 248,773. This apparent loss of wealth is in reality a further evidence of provincial prosperity: home-grown food supplies were abundant, and, notwithstanding the large increase of idle months in the garrison, the district had to spend Hk.Tls. 307,654 less for Rice, Wheat, and Beans, of which Hk.Tls. 215,551 represented the saving on purchases from other provinces of China; and with the increase in the use of the comparative luxury of Kerosene Oil, the demand for Ground-nuts,

Ground-nut Oil, and Bean Oil was less by Hk.Tls. 35,145 (Hk Tls. 1,695, against Hk.Tls. 36840); these two categories more than cover the falling off under this heading. There was a further loss of Hk.Tls. 14,087 on Salt and Hk.Tls. 29,706 on Soft-wood Poles recorded in our Returns, representing a transfer of trade from Government steamers to chartered junks. Articles of luxury show considerable expansion; for example, Silk Piece Goods (from Chinese ports and Hongkong) increased 44 per cent. in value.

Only 1 Pass inwards was issued, and it may be assumed that Likin charges were not unduly heavy.

A little over a fourth of the Camphor shipped came down under Transit Pass protection, merchants having elected to pay Likin on the rest.

On the outbreak of war between China and Japan torpedoes were laid down at Tamsui, Kelung, and elsewhere, all buoys in the district were removed, and all lights in Formosan waters extinguished; some inconvenience and loss of time has been felt by shipping, but, on the whole, trade has gone on with but slight additional burden. Up to the end of the year no additional taxes had been levied, though the strain on the Treasury increased daily.

The value of the Import and Export trade of 1894 was as follows:—

	Hk.Tls.
Net Foreign Imports, market value	2,722,843
Net Native Imports, market value	698,644
Net Imports	3,421,487
Deduct Duties and Likin paid at Tainan ...	248,068
Net Imports, *minus* Duty	3,173,419
Deduct 7 per cent. for importers' profit, etc.	222,139
Imports, value at moment of landing ...	2,951,280

	Hk.Tls.
Original Exports, market value	4,884,461
Add Duty paid at Tainan	409,692
Exports, *plus* Duty...	5,294,153
Add 8 per cent. on market value for exporters' profit, etc....	390.757
Exports, value at moment of shipment ...	5,684,910

TAINAN, 1894.

THE net value of the trade for 1894, according to the I. M. Customs Returns, was Hk.Tls. 4,388,547, which is Hk.Tls. 1,092,678 in excess of the figures of the previous year, and only Hk.Tls. 373,297 less than those of 1880, the record year. The increase in the volume of trade has not been in proportion to the gain in value, which has been largely affected by higher prices, due to the low exchange and to speculative operations during the year in Opium and Camphor, in consequence of reports of military operations against Formosa being contemplated. The speculations were probably not all successful, but, so far as can be

ascertained, both Foreign and Native merchants seem to have had a good year.

The head office of the Tainan Customs was transferred on the 25th May from Takow to Anping the port of Tainan-fu, where most of the trade has been carried on for many years, and where all Foreign merchants reside, with the exception of two, who live in the city of Tainan-fu.

The total collection, Hk.Tls. 371,705, is Hk.Tls. 12,370, less than that for the previous year, and the smallest since 1887. Opium Duties dropped from Hk.Tls. 78,213 to Hk.Tls. 63,939; Opium Likin, from Hk.Tls. 208,569 to Hk.Tls. 170,492; and Tonnage Dues, from Hk.Tls. 2,105 to Hk.Tls. 1,698; while Import Duties, exclusive of Opium, rose from Hk.Tls. 14,817 to Hk.Tls. 18,228, which is the largest collection since the opening of the port; Export Duties, from Hk.Tls. 76,368 to Hk.Tls. 111,524, a total which has been exceeded in only two years, 1880 and 1884; Coast Trade Duties, from Hk.Tls. 1,774 to Hk.Tls. 1,800; and Transit Dues, from Hk.Tls. 2,225 to Hk.Tls. 4,021.

The net value of Foreign goods imported was Hk.Tls. 1,879,225, of which Hongkong supplied 87 per cent. To this total Opium contributed Hk.Tls. 1,278,811, or 68.05 per cent.; Sundries, Hk.Tls. 413,989, or 22.03 per cent.; Cotton Goods, Hk.Tls. 108,048 or 5.75 per cent.; Woollen Goods, Hk.Tls. 71,335, or 3.80 per cent.; and Metals, Hk.Tls. 7,042 or 0.37 per cent. The trade in Foreign goods other than Opium continues to be very small:

in 1874 its value was only 12 per cent. of the total net value of Foreign goods, in 1884 it had increased to 21 per cent., and in 1894 it amounted to 32 per cent. Tainan is not a large distributing centre, and the Natives outside of Tainan-fu and a few large towns are mostly farmers and fishermen of simple tastes and small incomes; but it is incredible that a district which has been open to Foreign trade for 30 years can spend over Hk.Tls. 1,200,000 for Opium and only half that amount for all other kinds of Foreign goods, as appears from an examination of the Customs Returns to be the case in this district. But it should be remembered that there is a large junk trade between Formosa and Namoa, near Swatow, and that there is undoubtedly a very considerable importation of Foreign goods by junks, though it is impossible to give reliable statistics of the trade. Of the Cotton Goods, Grey Shirtings (22,711 pieces, against 16,627 pieces), White Shirtings (9,229 pieces, against 7,706 pieces), Turkey Reds (2,815 pieces, against 1,682 pieces), and Cambrics and Muslins (2,542 pieces, against 1,925 pieces) show an increase as compared with the importations of 1,893; and Drills of all kinds (4,851 pieces, against 7,013 pieces) and Japanese Cotton Cloth (6,282 pieces, against 8,127 pieces) exhibit a decrease. The total import of Woollen Goods, 5,119 pieces, shows a falling off of 2,441 pieces. Sundries gained 64 per cent. in value over the figures of the previous year: seven items only, enumerated in the order of their value, were estimated at

more than Hk.Tls. 10,000, viz., Kerosene Oil, Medicines, Bags, Cuttle-fish, Silk Piece Goods, American Ginseng, and Flour. The quantity of Kerosene Oil received, 667,210 gallons, was over 50 per cent. in excess of the importation of any prevous year; of this total, 603,710 gallons were American and 63,500 gallons were Russian Oil. The large importation was made partly in anticipation of a blockade of the island being declared by the Japanese; but the business done was satisfactory. The bulk of the American Oil was of the "Comet" brand, which was sold wholesale at from $2.05 gross to $2.20 a case, the average price for the year being $2.10. Matches show a gain of 5,508 gross in a total import of 24,750 gross, which were all Japanese except 675 gross.

The Export trade with Foreign countries was confined to Hongkong and Japan; its total value was Hk.Tls. 1,189,650, which is Hk.Tls. 544,999 greater than for the previous year and the greatest since 1884. Brown Sugar (Hk.Tls. 741,399) and White Sugar (Hk.Tls. 106,081) contributed Hk.Tls. 847,480, or 71 per cent., to the total, and Camphor, Hk.Tls. 263,878, or 22 per cent. Of minor items, Turmeric and Lung-ngan Pulp were the most important. Shipments of Sugar were the largest for 10 years, with the exception of 1890. Of the 320,548 piculs of Brown Sugar exported to Foreign countries, Japan took 309,757 piculs, including the entire Takow crop of 260,000 piculs, and Hongkong, the balance. The Takow market opened about the middle

of January at $3.10 a picul, and first shipments were remunerative, but later consignments, bought at from $3.60 to $3.85 a picul, lost heavily. Tainan-fu Brown Sugar (*Tiong-tan* or 2nd quality) was better received in Japan than ever before, some 49,000 piculs having been sold at good rates. This quality is considered equal to Manila Sugar No. 3, which is used largely in Japan, and it is said that the Japanese will take it in preference to the Manila Sugar if it can be laid down in Japan at $4 a picul. The prospects for a very large Sugar crop this season are excellent, as the cane received no damage from typhoons or floods during 1894. Merchants complain that the Takow Sugar trade is practically in the hands of one Chinese firm which has by its system of advances to growers, at from 1½ to 2½ per cent. interest a month, got them year by year deeper in its debt, and is now able not only to fix prices by regulating the deliveries of Sugar at Takow, but also to determine the acreage to be devoted to each season's cane. The methods employed by this firm are fully explained in an able and exhaustive report on Formosa Sugar by Dr. W. W. MYERS, which was published as an appendix to Her Britannic Majesty's Consul's Report on the Trade of Tainan for the year 1890. Shipments of Camphor increased from 6,328 piculs in 1893 to 11,736 piculs, and were profitable to the shippers; all was sold on the Hongkong market, where the price, opening at $43 a picul, fell to $31 in May, advanced rapidly in August to $65 for a single sale, dropping at

once to $58, and then fell off gradually to $40 at the end of the year.

Opium, re-exported to Hongkong, Foochow, Tamsui, and Amoy, accounts for Hk.Tls. 76,888 of the total value (Hk.Tls. 81,903) of Foreign goods re-exported.

Original Shipments Coastwise.—The total value of Native produce exported to Chinese ports was Hk.Tls. 1,170,924, which is Hk.Tls. 243,724 in excess of the value of the preceding year. This increase is wholly due to heavier shipments of Brown and White Sugar, which were, respectively, 53,868 piculs and 21,326 in excess of those during 1893, and show an increase in value of Hk.Tls. 248,534. These shipments were all from Anping. Tientsin, Chefoo, Ningpo, and Shanghai took nearly all of the Brown Sugar, only a few thousand piculs going to Amoy and Swatow. Of the less important articles of export, Hemp and Lung-ngan Pulp show an improvement, and Dried Lung-ngans and Turmeric are slightly under the figures for 1893.

The re-exports of Native produce to coast ports, valued at Hk.Tls 892, call for no comment.

The trade in Native Imports, although Hk.Tls. 20,896 in excess of the value of the 1893 trade, which was the largest for many years, was still very small and constituted only 7 per cent. of the entire Import trade of the year. In the long list of Native Imports only three items—viz., Cake-stuff, Hk.Tls. 23,481; Poles, Hk.Tls. 21,885; and Tabacco, Hk.Tls. 15,366

—reached the aggregate of Hk.Tls. 10,000. Cake-stuff, used of the adulteration of Opium, shows a gain of 147 piculs; Poles, an increase of 4,369 pieces; and Prepared Tobacco, a falling off of 561 piculs.

No goods were sent into the interior under Transit Passes during the year.

The Outward Transit trade was larger than ever before, and was confined wholly to Camphor. 87 Passes, covering 10,724 piculs of Camphor, were surrendered, against 69 Passes, covering 5,934 piculs, in 1893. Merchants state that the *fang-fei* tax is still levied on their Camphor, although the soldiers have been withdrawn from some districts and no protection is given to their workmen. Immediately after the withdrawal of the soldiers from a place near Chipchip the savages attacked a working party and killed six men.

The entries were more by 8 vessels, of 11,269 tons, and the clearances more by 14 vessels, of 13,755 tons, than during 1893. Of the total tonnage entered and cleared (131,152 tons), steamers are credited with 122,105 tons. The British flag covered 70 per cent. of the tonnage, and other flags were represented in the following order, viz., German, Chinese, Japanese, and Swedish and Norwegian. The increase of 25,024 tons in the tonnage employed, as compared with the total in 1893, does not represent the actual needs of the trade of the port, as some 12,000 tons were employed solely for the transportation of troops and Government supplies.

The transfer of troops from Tamsui and the mainland to South Formosa accounts for the large increase in the number of Native passengers arrived.

The import of Treasure was more than 50 per cent. in excess of the amount imported during any one of the last 10 years, and the export was above the average for the same period. Of Silver Dollars, valued at Hk.Tls. 717,110, four-sevenths were from Amoy and over one-third from Hongkong; and of Silver Dollars exported, valued at Hk.Tls. 526,666, nearly four-fifths went to Amoy.

The stock of Foreign Opium in bond on 1st January 1894 was 128 piculs, and 2,443 piculs were bonded during the year, making a total of 2,571 piculs; of this quantity, 2,130 piculs were released on payment of Duty and Likin, and 136 piculs were re-exported during the year, leaving 305 piculs in bond at the end of the year. The net importation, 2,130 piculs, was 478 piculs less than during 1893; this total consisted of 1,932 piculs of Persian, 156 piculs of Benares, 27 piculs of Malwa, and 15 piculs of Patna. Prices were high throughout the year, and fluctuated in an extraordinary way, as will be seen from the following quotations (Duty and Likin unpaid). Persian, $640 to $630 a picul in January and February; $640 to $680 in March; $700 to $750 in April; $770 to $775 in May; $780 to $800 in June; $800 to $900 in July; $980 to $880 in August; $860 to $830 in September; $800 to $680 in October and November; and $700 to $790 in December,

with the market strong and advancing. Benares and Patna, per chest of 120 catties, rose from $650 in January to $810 in August and $860 in December. Malwa sold at $690 in July and $810 in August. The extraordinary rise in price in mid-summer was due to the fears of the Native merchants that the Japanese would blockade that island and that their supplies would be cut off. They accordingly bought freely, and as the supply of Persian in Hongkong was very small, prices advanced rapidly; failing to get all the Persian they wanted, they took some Malwa, for the first time since 1888, and also a dozen chests of Patna, a larger quantity than had been imported since 1884. The demand was so great that attempts were made to work off some lots of very inferior Opium, but with little success, as many chests were returned to Hongkong as unsaleable. Besides the speculation indulged in in anticipation of a blockade, the reasons given for the high prices are (*a.*) the fall in exchange and (*b.*) the partial failure of the Persian crop for the last three years and of the Indian crop for 1894.

The cultivation of the poppy in the Kagee district, referred to in the Tainan Trade Report for 1890, has increased. The amount of Native Opium produced during the year is estimated at from 60 to 70 piculs; in quality. however, it is said to have been very inferior to the Fuhkien drug, and it was found so unprofitable that the attempt has been given up and the land is now being used for other crops. Foreign and Native merchants dealing

in Opium put the import of Native Opium at fully 400 piculs. This Opium came from the T'ung-an district, in Fuhkien, and was imported by junks; when pure it is said to be very good and nearly equal to Malwa, but it is generally mixed with a large quantity of Cake-stuff. The Opium, like all other junk-borne Imports, was free from all Duty and Likin till October, when the local authorities decided to collect Likin on it; the Chinese say that since that time the importation of the Native drug has practically ceased. Native Opium sold at $500 a picul during the first half of the year, but the price rose to $700 and $750 when the prices of the Foreign drug were highest.

MISCELLANEOUS.—The value of the Import and Export trade of 1894 was as follows:—

	Hk.Tls.
Net Foreign Imports, market value	1,879,225
Net Native Imports, market value	148,748
Net Imports	2,027,973
Deduct Duties and Likin paid at Tainan...	254,460
Net Imports, *minus* Duty	1,773,513
Deduct 7 per cent. for importers' profit, etc.	124,146
Imports, value at moment of landing ...	1,649,367

	Hk.Tls.
Original Exports, market value...	2,360,574
Add Duty paid at Tainan	111,525
Exports, *plus* Duty...	2,472,099
Add 8 per cent. on market value for exporters' profit, etc.	188,846
Exports, value at moment of shipment ...	2,660,945

TAMSUI, 1895.

IT would be useless to compare the statistics of trade for 1895 with those of any other year, because, apart from the disturbances incidental to war and cession, the figures given in the tables presented with this Report cover a period of but little over five months, of which three and a half months were in the dead season.

The Revenue account was closed on the 2nd June, the date on which formal delivery of Formosa was taken by the Japanese authorities; while the trade statistics are made up to, but not including, the 9th June, the date on which the Japanese flag was raised over the Custom House and effective occupation of the port made by the Japanese forces. The collection —Hk.Tls. 222,146—gave good promise of a large total for the year, but was unduly swollen by an early opening of the Tea market.

Trade in Foreign Imports was kept in a hand-to-mouth state through the whole period, all credits being refused after the middle of February. The dulness characterised all branches of trade, and may be seen most noticeably in the figures for Kerosene Oil.

Camphor was the subject of much speculation, with great fluctuations in the Hongkong quotation. In March Hongkong price was about $44 a picul; when the Pescadores were attacked, on the 23rd March, it went up to about $50; the tendency then was generally upward, and during the troubles of the

abortive Republic quotations were over $80 a picul.

The value of Re-exports was insignificant.

The Tea market opened in the middle of April, a full month before the opening in 1894 and quite three weeks before it would have opened in quiet times. Shippers were animated by a feverish desire to push shipments forward, lest a sudden stoppage should be put to the trade; and the export to the 8th June was quite up to the average export to 30th June. The leaf at the opening —picked too soon—was deficient in colour and flavour, but later quality improved. Prices paid were, grade for grade, fully 10 per cent. above the highest paid in 1894, when they appeared to be abnormally high; a favourable market in New York and the impetuosity of buyers in Tamsui fully account for this condition, which probably involved the shippers in losses.

Re-exports of Native goods were small in quantity.

Trade from Shanghai was almost entirely stopped, and that from Amoy and Swatow did not supply the deficiency.

The regular traders visited the port as usual, but their movement was restricted by the closing of the ports of Tamsui and Kelung to the entry of vessels on the 24th March.

Passengers came and went much as if in quiet times.

Balances of treasure were sent away for safety in February; but after the Tea market

opened, Treasure arrived sufficient for all needs.

The consumption of foreign Opium was much restricted, not probably owing to high cost, but rather to the stoppage of credits and the necessity for cash payments. It was expected that fear lest the Japanese should prohibit the use of Opium would lead to increased entries just before their occupation of the port; but the merchants appeared to have no such apprehension, and only modest quantities were withdrawn from bond.

Some small smuggled lots of native Opium were seized, but the amount imported is not known. A few chests of Szechwan Opium arrived by steamer.

Formosa was left undisturbed by the war until February, when such definite reports of a projected attack were received that many banks and merchants closed their accounts and remitted their balances. We then had quiet for a month, when fresh reports were received—this time to be verified. On the 20th March a fleet was seen passing the South Cape, and on the 23rd the long-expected attack on the Pescadores was made. This place fell into the hands of the Japanese after a very feeble resistance, their total loss being 2 killed and 17 wounded; but since the occupation 1,300 Japanese have died there of cholera. It was generally believed that an attack on Formosa itself was imminent, and this belief was strengthened by the exclusion of Formosa from the armistice; no hostile demonstration was, however, made. The

signing of the Treaty of Shimonoseki on the 17th April was considered abroad to be the end of trouble in Formosa; it was, in fact, only the beginning. It was known by the 20th April that the cession of Formosa formed one of the conditions of peace, and then immediately a storm of protest arose from soldiers and people, who further declared that the lives of the officials would be forfeited if they tried to deliver the island to Japan, or to escape, and that treasure or arms would not in any case be permitted to leave. The excitement culminated in an attack on the Governor on the 22nd, when 18 soldiers and people were killed and nearly 50 wounded in attacking and defending his person in his own yamên. The officials, from the Governor down, felt powerless in the face of this uprising, and, yielding to *force majeure*, submitted their actions from this time forward to the domination of the angry populace; it must be noted, however, that the people of North Formosa were very lukewarm, and that the heart of the mutiny was in the turbulent soldiery and in the people of Mid Formosa. On the 25th April the Governor formally notified to the Consular body that he was coerced and could no longer act as a free agent; that the first step taken to carry out the terms of the Treaty would inevitably lead to the death of himself and all other officials; that the soldiers refused to return to China, though fully paid; and that in certain conditions he could no longer protect Foreign lives or property. Matters went on thus for a month,

the exchange of ratifications on the 8th May only making the state of affairs worse. Finally, on the 24th May, without any warning, the independence of the Republic of Formosa was declared, and an undying resolve to resist the aggression of the Japanese was proclaimed. This rebellion, whether it be taken to be directed against the ceding Power or the new masters of the island, rendered untenable the position of loyal servants of the Chinese Empire; and the declaration of independence was the signal for the departure of such of the civilian officials holding the Imperial commission as had free access to shipping, the departures including the Provincial Treasurer, the Taotai and Officiating Judge, the Taipei and Tainan Prefects, and many of the District Magistrates, some of the latter (as at Hsin-chu) being, however, forcibly prevented from leaving. The only civilian of note to remain was the Governor, and his departure would have ensured his own death and brought on a state of anarchy. Of the military, the only officials to depart voluntarily were two who held the Imperial commission, viz., the Amoy Admiral Yang and the Tainan Brigadier.

The flag of the Republic of Formosa represented a tiger, or, regardant, on a field azure, and was first raised on the 26th May, with a salute of 21 guns, over the fort at Tamsui; a similar flag was sent to be raised over the Custom House, but as no instructions had been received, compliance with the request was avoided. The Presidency of the

Tamsui; a similar flag was sent to be raised over the Custom House, but as no instructions had been received, compliance with the request was avoided. The Presidency of the Republic was accepted by the former Governor of Formosa, T'ang Ching-sung, "so pressing were the solicitations of the people;" and probably never was *nolo episcopare* more devoutly breathed than was *mei fa-tzŭ* by this President of an hour.

The death knell of the Republic proclaimed on the 24th May was struck on the 29th of the same month, when a Japanese force landed north of Samtiao Point and about 20 miles south-east from Kelung. Their ships anchored off Tamsui had seen the "Tiger" flag raised, and had heard the salute which accompanied the raising, on the 26th May; and they probably considered themselves justified in taking such steps as seemed called for. After two or three days' sharp skirmishing, in which the Chinese outposts made a good fight, the Japanese forces were on the 2nd June within 5 miles of Kelung, but had not come into touch with the artificial defences of the place. Then comes the story of treachery, or incapacity, or both; and the Japanese, advancing on the 3rd June, met with little or on opposition, and took possession of Kelung and its forts, which they found quite uninjured and abandoned without a shot by the garrison holding them under the Tiger flag.

The capture of Kelung, its garrison making masterly movement rearwards, caused at once

a general collapse of the fabric of government; and by noon of the 4th June not one of the new functionaries of the Republic, great or small, could be found at his post. A more discreditable exhibition has seldom been seen than this of the shepherds deserting their flocks and leaving them to the tender mercies of a rapacious soldiery; though the scenes of a few days later, when the sheep were ravaging the wolves, may perhaps be considered worse. The refugee officials took shelter on a German steamer which lay in port; but the soldiers, thousands in number and deserted by their leaders, made her the target for their rifles, while the fort threatened to open fire on her if she attempted to leave port, and, to show their strength, actually did fire on certain launches attempting to communicate with steamers lying outside the Bar. Arrangements were made by which the steamer was permitted to depart, and she left on the morning of the 6th June; just before leaving, however, fire was opened on her by a battery of small field pieces situated at a distance of 3,000 yards. The battery was soon silenced by the German gun-boat *Iltis*, then lying in port.

From the night of the 4th June anarchy reigned supreme throughout North Formosa. This was especially manifested at the city of Taipei, which was given up to arson and plunder. The Governor's yamên was the first to be looted and burned, and many private houses were destroyed; the arsenal and powder factory were completely gutted; and similar attempts on the powder magazine resulted in

an explosion on the morning of the 6th June, in which over 100 lives of ignorant looters were lost, while many others perished in the struggle for plunder. During this time the counter-attractions of Taipei and of the arsenal did much to save the suburb of Twatutia, and the Foreign merchants living there were left undisturbed in fact, though kept on the alert by constant apprehension of impending danger. During the troubles the Foreign residents at Twatutia were protected by a force of 25 German and 30 British marines, landed for that purpose by the respective Admirals, in which task they were assisted by an armed launch; and at the shipping port of Tamsui by the British gun-boat *Redbreast* and the German gun-boat *Iltis*. The Customs officials, the only Foreign residents, at Kelung were withdrawn on the 2nd June.

Gorged with plunder the disorderly troops spread over the country, holding it at their mercy; soon, however, as the Japanese approach seemed near, they threw away their arms, and the country people, possessing themselves of means of offence, turned the tables and began to oppress their previous oppressors, now defenceless. In one village it is said that 200 unarmed soldiers were shot down, and money to the amount of over $10,000 taken from their bodies.

The Japanese forces entered Taipei at daybreak on the 7th June, welcomed as deliverers, every house displaying Japanese flags inscribed "virtuous subjects of the Japanese Empire;"

and the disorderly scenes of the previous days ceased at once. The port of Tamsui was occupied in force on the 9th June, and the Japanese flag raised over the Custom House at noon, when the Chinese Customs ceased to function and its staff was withdrawn. In the three months from the attack on the Pescadores the attention of the disorderly element might at any moment, and in connexion with any of the actual events of the time, have been directed against the Foreign community; and the heads of the Foreign firms, who hastened to the scene on the approach of danger, expressed the state of the case in declaring through April and May, "we are sitting on a powder magazine." The magazine ultimately exploded; but the forces of the explosion so expended themselves that, in fact, the Foreign community was outside their range, and no worse bodily effects were experienced than those resulting from disordered nerves.

The value of the Import and Export trade from 1st January to 8th June 1895 was as follows:—

	Hk.Tls.
Net Foreign Imports, market value	1,597,377
Net Native Imports, market value	302,826
Net Imports	1,900,203
Deduct Duties and Likin paid at Tamsui...	93,256
Net Imports, *minus* Duty	1,806,947
Deduct 7 per cent. for importers' profit, etc,	126,486
Imports, value at moment of landing ...	1,680,461

	Hk.Tls.
Original Exports, market value...	1,879,521
Add Duty paid at Tamsui	128,782
Exports, *plus* Duty...	2,008,303
Add 8 per cent. on market value for exports' profit, etc.	150,362
Exports, value at moment of shipping ...	2,158,665

TAINAN, 1895.

THE net value of the trade of the port for the six months ended 30th June 1895 was Hk. Tls. 2,457,874, which is more than 75 per cent. of the average value of the trade for the last nine years; but it should be remembered when considering this total that early the whole of a large crop of Sugar, the principal export from Tainan, was shipped during the period under review. The rumours of an attack on Formosa by the Japanese which had begun to disturb trade in 1894 continued till they were confirmed by the Japanese occupation of the Pescadores in March. After that event, the daily expectation of an attack by the Japanese upon Tainan-fu, the declaration of the so-called Republic of Formosa after the conclusion of the Treaty of Peace between China and Japan, and the levy of contributions on all sides for the support of the rebel army combined to create a panic amongst the Native merchants; those who lived on the mainland being anxious to return to their homes, and all being eager to close out their stocks, business operations at times partook more of the nature of a clearance

sale than of ordinary trade. Foreign merchants realised good profits on their Opium and Camphor transactions, and probably did well on some of their ventures in Takow Sugar for the Japanese market; but the possibility of a heavy loss of property through riots or a bombardment, and the natural anxiety as to the prospects of trade under Japanese rule, were distinctly disturbing. As soon as it was known that the Shimonoseki Treaty provided for the cession of Formosa to Japan, a rebellion was started in the north, and Formosa was declared a Republic on the 24th May. Official notifications of the change of government were received by the Foreign and Native officials at Tainan-fu and Anping on the 1st June, and LIU YUNG-FU, the Assistant Imperial Commissioner, charged with the defence of South Formosa, having been persuaded to join the rebels, at once began to replace the local officials by his own men and took possession of the Customs Bank. As regards this rebellion, it may be noted that, however strong the feeling in favour of the movement may have been in the north, there was no desire on the part of the great majority of the officials, merchants, and labouring people of Tainan-fu and vicinity to resist the Japanese. The Chinese Commissioners arrived at Tamsui on the 1st June to hand over the island to the Japanese, and the formal transfer was made on board ship near Kelung on the 2nd June. News of the Japanese attacks upon Kelung was telegraphed to Anping up to the 3rd June, after which date telegraphic communication ceased, and it was

not till the 10th June that the news reached Anping from Amoy that the Japanese were in complete possession of Taipei-fu, Kelung, and Tamsui. On the 9th June the Japanese were seen for the first time at Anping: on that day a cruiser steamed in near to the fort and remained within range of the guns for more than half an hour without being fired at; but when another cruiser, apparently relying on the peaceable reception given the first one, ran boldly in on the 13th June and anchored in the roadstead, she was fired upon immediately by the fort and was missed five times before she could heave up anchor and get out of range. The British naval authorities acted promptly for the protection of Foreigners in South Formosa. Men-of-war were sent to Takow in February and March, when the soldiers began to cause trouble there. The gun-boat *Tweed* was stationed at Takow from the 8th April until the Japanese took the port. A chartered launch with a small crew and a machine gun was stationed at Anping on the 11th April, and a guard of 50 sailors and marines (from the cruiser *Leander*, afterwards relieved from the cruiser *Spartan*) was landed there on the 3rd May, to protect the Settlement in case of such rioting as had just occurred in Taipei-fu; this guard was reinforced on the 16th June by 80 sailors and marines from the cruiser *Rainbow*, in consequence of the hostile attitude assumed by LIU YUNG-FU, who had demanded the immediate withdrawal of the original guard. There were generally two or more British men-of-war at anchor off Anping

or cruising in the vicinity. As there is no harbour for large vessels in Formosa south of the Pescadores, the situation of these men-of-war became very unpleasant as the south-west monsoon increased in force; and as the naval guard on shore might have to be left at any time without support for an indefinite period if the ships were forced to run to the Pescadores for shelter, it was decided to withdraw the guard from Anping, and it was accordingly re-embarked on the 30th June. It being considered inadvisable for the Customs staff to wait any longer for the arrival of the Japanese, the Custom House was closed on Saturday the 29th June, and the staff was thereafter withdrawn.

A magazine in the fort on Saracen Head, Takow, exploded at 1.55 P.M. on 1st February, killing about 100 soldiers, villagers, and junk men, shattering the north end of the fort, and badly damaging many houses in the neighbourhood.

Shocks of earthquake were felt at Anping at 11.30 P.M. on the 22nd April and at 10.22 P.M. on the 26th April.

The total collection of revenne was Hk.Tls. 212,102. Import Duties and Coast Trade Duties, always small at Tainan, amounted to only Hk.Tls. 6,318 and Hk.Tls. 614 respectively; but the Export Duties, Hk.Tls. 90,652, have only been exceeded three times during the last 10 years. Opium Duties, Hk.Tls. 30,168, and Opium Likin, Hk.Tls. 80,133, constituted more than one-half of the entire receipts. The Transit Dues, Hk.Tls. 2,244, surpassed the

collection for any previous year except 1894. Tonnage Dues were Hk.Tls. 1,969.

The net value of Foreign goods imported was Hk.Tls. 857,856, of which Hongkong supplied 85 per cent. To this total Opium contributed Hk.Tls. 661,955, or 77.16 per cent; Sundries, Hk.Tls. 132,432, or 15.44 per cent; Cotton Goods Hk.Tls. 39,510, or 4.60 per cent.; Woollen Goods, Hk.Tls. 20,126, or 2 35 per cent.; and Metals, Hk.Tls. 3,833, or 0.45 per cent. While all business was disturbed by the war cloud which hung over South Formosa during the period under review, the Import trade suffered most, for under such circumstances consumers naturally restricted purchases to immediate wants and dealers confined their business to filling orders, receiving small consignments only by each steamer from Hongkong. Of the Cotton Goods, Grey and White Shirtings and Japanese Cloth seem to have been in the greatest demand, but the total quantity of the three kinds was less than 15,000 pieces. For Woollen Goods and Metals there was little inquiry, and importations were trifling; while in the long list of Sundries given in the Returns the only item exceeding in value Hk.Tls. 10,000 was Bags, which were needed for packing the Sugar for shipment. The speculative consignments of Kerosene Oil during 1894 left the market overstocked at the beginning of 1895, and only 5,000 gallons of American and 170 gallons of Russian Oil were imported.

The Export trade with Foreign countries was confined, as usual, to Japan and Hongkong;

its total value was Hk.Tls. 700.833. Brown Sugar (Hk.Tls. 421,040) and White Sugar (Hk.Tls. 92,504) contributed Hk.Tls 513,544, or 73 per cent., to the total, and Camphor, Hk.Tls. 176,029, or 25 per cent. There was a large Sugar crop. Of the 249,098 piculs of Brown Sugar shipped to Foreign countries, 243,719 piculs went to Japan and the balance to Hongkong. At Takow the market opened in January at $2.90 a picul for Brown Sugar, and declined gradually to $2 and under in May and June, owing to the weak demand in Japan and to the eagerness of holders to dispose of their stocks quickly at almost any price, to avoid loss in case of a bombardment of the port by the Japanese. Tainan-fu Brown Sugar was in good demand at Chinese ports, and the price remained firm from $2.75 to $3 a picul throughout the season. The shipments of Camphor to Hongkong, amounting to 5,801 piculs, were exceedingly profitable to the shippers, as the price was always well above the cost of the Camphor laid down in Hongkong. The quotations there ran from $36 a picul in January to $55 in March, dropped gradually to $40 in April, owing to large receipts, then rose again to $80, in consequence of the heavy buying of a London syndicate, and stood at the end of June at about $73.

Opium reshipped to Hongkong accounts for Hk.Tls. 6,369 of the total value (Hk.Tls. 8,253) of the goods re-exported to Foreign countries.

The total value of Native produce exported to Chinese ports was Hk.Tls. 843,432, made

up chiefly of Brown Sugar (Hk.Tls. 599,868) and White Sugar (Hk.Tls. 131,196).

Opium returned to Amoy, Tamsui, and Foochow represents Hk.Tls. 76,910 of the total value (Hk.Tls 80,409) of the goods re-exported to Native ports.

The trade in Native Imports shows a greater shrinkage than that in Foreign goods. Poles (Hk.Tls. 7,546), Hemp Bags (Hk.Tls. 7,155), Cake-stuff (Hk.Tls. 6,597), Fine Grasscloth (Hk.Tls. 6,352), and Joss Sticks (Hk.Tls. 4,508), make up Hk.Tls. 32,163 of the total value (Hk.Tls. 55,753) of this trade. Foreign goods, principally Opium, were received from Chinese ports to the value of Hk.Tls. 139,695.

Camphor only was brought from the interior under Transit Passes, of which 49 were surrendered, covering 5,985 piculs. The great profits to be realised on the sale stimulated the production to the highest pitch.

The total tonnage (95,512) entered and cleared during the six months is not much under the average of ordinary years. The large total is accounted for by a demand for tonnage for the abundant Sugar crop and the unusual number of steamers employed on account of the Chinese Government. Steamers are credited with 87,290 tons entered and cleared. The British flag covered more than 76 per cent., and other flags were represented in the following order, viz., German, Chinese, and Norwegian.

There was a great exodus of Natives by junks to the mainland and 2,216 took passages

in steamers, but the rates charged by the regular trader between Amoy and Anping were too high for the poorer classes. Nearly all of the 3,864 Natives who arrived from Tamsui, Amoy, Swatow, and Canton by steamers were soldiers.

The recorded import of Treasure aggregated Hk.Tls. 432,708, and of this amount Hk.Tls. 136,143 were from Tamsui on Government account. The total exported was only Hk.Tls. 163,614.

The stock of foreign Opium in bond on 1st January 1895 was 305 piculs, and 872 piculs were bonded during the period covered by the Returns, making a total of 1,177 piculs; of this quantity 1,002 piculs were released on the payment of Duty and Likin and 132 piculs were re-exported, leaving 44 piculs in bond on 30th June. The net importation, 1,002 piculs, which was nearly half of the supply for 1894, consisted of 56 piculs of Benares and 946 piculs of Persian Opium. Prices of both kinds were high and subject to considerable fluctuations, which were not, however, so marked as in 1894. The average price of Persian per picul (Duty and Likin unpaid) was about $828.

Five piculs of Fuhkien Opium, valued at Hk.Tls. 2,000, were brought from Amoy. The importation of Native Opium by junk is believed to have been very small, and little or none was grown on the island during 1895.

The value of the Import and Export trade for the six months was as follows:—

	Hk.Tls.
Net Foreign Imports, market value	857,856
Net Native Imports, market value	55,753
Net Imports	913,609
Deduct Duties and Likin paid at Tainan...	116,620
Net Imports, *minus* Duty	796,989
Deduct 7 per cent. for importers' profit, etc.	55,789
Imports, value at moment of landing ...	741,200

	Hk.Tls.
Original Exports, market value...	1,544,265
Add Duty paid at Tainan	90,652
Exports, *plus* Duty...	1,634,917
Add 8 per cent. on market value for exporters' profit, etc.	123,541
Exports, value at moment of shipment ...	1,758,458

TREATY OF PEACE BETWEEN JAPAN AND CHINA.

SIGNED AT SHIMONOSEKI (BAKAN), JAPAN, ON THE 17TH APRIL, 1895.

Ratifications Exchanged at Chefoo, China, on the 8th May, 1895.

His Majesty the Emperor of Japan, and His Majesty the Emperor of China, desiring to restore the blessings of peace to their countries, and subjects, and to remove all cause for future complications, have named as their Plenipotentiaries for the purpose of concluding a Treaty of Peace,—that is to say:—

His Majesty the Emperor of Japan, Count Ito Hirobumi, Junii, Grand Cross of the Imperial Order of Paullownia, Minister-President of State, and Viscount Mutsu Munemitsu, Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs;

And His Majesty the Emperor of China, Li Hung-chang, Senior Tutor to the Heir Apparent, Senior Grand Secretary of State,

Minister Superintendent of Trade for the Northern Ports of China, Viceroy of the Province of Chihli, and Earl of the First Rank, and Li Ching-fong, ex-Minister of the Diplomatic Service, of the Second Official Rank;

Who, after having exchanged their full powers, which were found to be in good and proper form, have agreed to the following Articles :—

Art. I.—China recognizes definitely the full and complete independence and autonomy of Corea, and, in consequence, the payment of tribute and the performance of ceremonies and formalities by Corea to China in derogation of such independence and autonomy shall wholly cease for the future.

Art. II.—China cedes to Japan in perpetuity and full sovereignty the following territories, together with all fortifications, arsenals, and public property thereon :—

(a.) The Southern portion of the Province of Fêng-tien, within the following boundaries—

The line of demarcation begins at the mouth of the River Yalu, and ascends that stream to the mouth of the River Anping; from thence the line runs to Fênghuang; from thence to Haicheng; from thence to Yingkow, forming a line which describes the Southern portion of the territory. The places above named are included in the ceded territory. When the line reaches the River Liao at Yingkow it follows the course of that stream to its mouth, where it terminates. The

mid-channel of the River Liao shall be taken as the line of demarcation.

This cession also includes all Islands appertaining or belonging to the Province of Fêng-tien situated in the eastern portion of the Bay of Liaotung, and in the northern part of the Yellow Sea.

(b.) The Island of Formosa, together with all islands appertaining or belonging to the said Island of Formosa.

(c.) The Pescadores Group,—that is to say, all Islands lying between the 119th and 120th degrees of longitude east of Greenwich and the 23rd and 24th degrees of north latitude.

Art. III.—The alignments of the frontiers described in the preceding Article, and shown on the annexed map, shall be subject to verification and demarcation on the spot by a Joint Commission of Delimitation, consisting of two or more Japanese and two or more Chinese Delegates, to be appointed immediately after the exchange of the ratifications of this Act. In case the boundaries laid down in this Act are found to be defective at any point, either on account of topography or in consideration of good administration, it shall also be the duty of the Delimitation Commission to rectify the same.

The Delimitation Commission will enter upon its duties as soon as possible, and will bring its labours to a conclusion within the period of one year after appointment.

The alignments laid down in this Act shall, however, be maintained until the rectifications of the Delimitation Commission, if any are

made, shall have received the approval of the Governments of Japan and China.

Art. IV.—China agrees to pay to Japan as a war indemnity the sum 200,000,000 Kuping taels. The said sum to be paid in eight instalments The first instalment of 50,000,000 taels to be paid within six months, and the second instalment of 50,000,000 taels to be paid within twelve months after the exchange of the ratifications of this Act. The remaining sum to be paid in six equal annual instalments as follows: the first of such equal annual instalments to be paid within two years, the second within three years, the third within four years, the fourth within five years, the fifth within six years, and the sixth within seven years, after the exchange of the ratifications of this Act. Interest at the rate of 5 per cent. per annum shall begin to run on all unpaid portions of the said indemnity from the date the first instalment falls due.

China shall, however, have the right to pay by anticipation at any time any or all of said instalments. In case the whole amount of of the said indemnity is paid within three years after the exchange of the ratifications of the present Act, all interest shall be waived and the interest for two years and a-half, or for any less period if then already paid, shall be included as a part of the principal amount of the indemnity.

Art. V.—The inhabitants of the territories ceded to Japan who wish to take up their residence outside the ceded districts shall be at liberty to sell their real property and retire.

For this purpose a period of two years from the date of the exchange of the ratifications of the present Act shall be granted. At the expiration of that period those of the inhabitants who shall not have left such territories shall, at the option of Japan, be deemed to be Japanese subjects.

Each of the two Governments shall, immediately upon the exchange of the ratifications of the present Act, send one or more Commissioners to Formosa to effect a final transfer of that province, and within the space of two months after the exchange of the ratifications of this Act such transfer shall be completed.

Art. VI.—All Treaties between Japan and China having come to an end in consequence of war, China engages, immediately upon the exchange of the ratifications of this Act, to appoint Plenipotentiaries to conclude with the Japanese Plenipotentiaries a Treaty of Commerce and Navigation, and a Convention to regulate frontier intercourse and trade. The Treaties, Conventions, and Regulations, now subsisting between China and European Powers shall serve as a basis for the said Treaty and Convention between Japan and China. From the date of the exchange of the ratifications of this Act until the said Treaty and Convention are brought into actual operation the Japanese Government, its officials, commerce, navigation, frontier intercourse and trade, industries, ships and subjects, shall in every respect be accorded by China most favoured-nation treatment.

China makes, in addition, the following concessions, to take effect six months after the date of the present Act:—

1. The following cities, towns, and ports, in addition to those already opened, shall be opened to the trade, residence, industries, and manufactures of Japanese subjects, under the same conditions, and with the same privileges and facilities as exist at the present open cities, towns, and ports of China.

(1.) Shashi, in the Province of Hupeh.

(2.) Chungking, in the Province of Szechuan.

(3.) Soochow, in the Province of Kiangsu.

(4.) Hangchow, in the Province of Chekiang.

The Japanese Government shall have the right to station Consuls at any or all of the above-named places.

2. Steam navigation for vessels under the Japanese flag for the conveyance of passengers and cargo shall be extended to the following places:—

(1.) On the Upper Yangtze River, from Ichang to Chungking.

(2.) On the Woosung River, and the Canal, from Shanghai to Soochow and Hangchow.

The Rules and Regulations which now govern the navigation of the inland waters of China by foreign vessels shall, so far as applicable, be enforced in respect of the above-named routes until new Rules and Regulations are conjointly agreed to.

3. Japanese subjects purchasing goods or produce in the interior of China, or transporting imported merchandize into the interior of China, shall have the right temporarily to rent

or hire warehouses for the storage of the articles so purchased or transported, without the payment of any taxes or exaction whatever.

4. Japanese subjects shall be free to engage in all kinds of manufacturing industries in all the open cities, towns, and ports of China, and shall be at liberty to import into China all kinds of machinery, paying only the stipulated import duties thereon.

All articles manufactured by Japanese subjects in China, shall in respect of inland transit and internal taxes, duties, charges, and exactions of all kinds and also in respect of warehousing and storage facilities in the interior of China, stand upon the same footing and enjoy the same privileges and exemptions as merchandize imported by Japanese subjects into China.

In the event additional Rules and Regulations are necessary in connection with these concessions, they shall be embodied in the Treaty of Commerce and Navigation provided for by this Article.

Art. VII.—Subject to the provisions of the next succeeding Article, the evacuation of China by the armies of Japan shall be completely effected within three months after the exchange of the ratifications of the present Act.

Art. VIII.—As a guarantee of the faithful performance of the stipulations of this Act, China consents to the temporary occupation by the military forces of Japan, of Wei-hai-wei, in the Province of Shantung.

Upon the payment of the first two instalments of the war indemnity herein stipulated for and the exchange of the ratifications of the Treaty of Commerce and Navigation, the said place shall be evacuated by the Japanese forces, provided the Chinese Goverment consents to pledge, under suitable and sufficient arrangements, the Customs Revenue of China as security for the payment of the principal and interest of the remaining instalments of said indemnity. In the event no such arrangements are concluded, such evacuation shall only take place upon the payment of the final instalment of said indemnity.

It is, however, expressly understood that no such evacuation shall take place until after the exchange of the ratifications of Treaty of Commerce and Navigation.

Art. IX—Immediately upon the exchange of the ratifications of this Act, all prisoners of war then held shall be restored, and China undertakes not to ill-treat or punish prisoners of war so restored to her by Japan. China also engages to at once release all Japanese subjects accused of being military spies or charged with any other military offences. China further engages not to punish in any manner, nor to allow to be punished, those Chinese subjects who have in any manner been compromised in their relations with the Japanese army during the war.

Art. X.—All offensive military operations shall cease upon the exchange of the ratifications of this Act.

Art. XI.—The present Act shall be ratified by their Majesties the Emperor of Japan and the Emperor of China, and the ratifications shall be exchanged at Chefoo on the 8th day of the 5th month of the 28th year of Meiji, corresponding to 14th day of the 4th month of 21st year of Kuang Hsü.

In witness whereof, the respective Plenipotentiaries have signed the same and have affixed thereto the seal of their arms.

Done at Shimonoseki, in duplicate, this 17th day of 4th month of the 28th year of Meiji, corresponding to 23rd of the 3rd month of the 21st year of Kuang Hsü.

(L.S.) Count ITO HIROBUMI, *Junii, Grand Cross of the Imperial Order of Paulownia, Minister-President of State, Plenipotentiary of His Majesty the Emperor of Japan.*

(L.S.) Viscount MUTSU MUNEMITSU, *Junii, First Class of the Imperial Order of the Sacred Treasure, Minister of State for Foreign Affairs, Plenipotentiary of His Majesty the Emperor of Japan.*

(L.S.) LI HUNG-CHANG, *Plenipotentiary of His Majesty the Emperor of China, Senior Tutor to the Heir Apparent, Senior Grand Secretary of Northern Ports of China, Viceroy of the Province of Chihli, and Earl of the First Rank.*

(L.S.) LI CHING-FONG, *Plenipotentiary of His Majesty the Emperor of China, Ex-Minister of the Diplomatic Service, of the Second Official Rank.*

THE LIAOTUNG CONVENTION

SIGNED AT PEKING, 8TH NOVEMBER, 1895.

His Majesty the Emperor of China and His Majesty the Emperor of Japan, desiring to conclude a Convention for the retrocession by Japan of all of the Southern portion of the province of Fêng-tien to the sovereignty of China, have for that purpose named as their Plenipotentiaries, that is to say:—

His Majesty the Emperor of China, Li Hung-chang, Minister Plenipotentiary, Senior Tutor of the Heir Apparent, Senior Grand Secretary of State and Earl of the First Rank, and His Majesty the Emperor of Japan, Baron Hayashi Tadasu, Shoshü Grand Cross of the Imperial Order of the Sacred Treasure, Grand Officer of the Imperial Order of the Rising Sun, Minister Plenipotentiary and Envoy Extraordinary; who, after having communicated to each other their Full Powers, which were found to be in good and proper form, have agreed upon the following Articles:—

Art. 1.—Japan retrocedes to China in perpetuity and full sovereignty the Southern portion of the province of Fêng-tien, which

was ceded to Japan under Article II. of the Treaty of Shimonoskei on the 23rd day of the 3rd month of the 21st year of Kuang Hsü, corresponding to the 17th day of the 4th month of the 28th year of Meiji, together with all fortifications, arsenals, and public property thereon at the time the retroceded territory is completely evacuated by the Japanese forces in accordance with the provisions of Article III. of this Convention,—that is to say, the Southern portion of the province of Fêng-tien from the mouth of the River Yalu to the mouth of the River Anping, thence to Feng-huang-ch'ên, thence to Haich'êng and thence to Yingkow; also all cities and towns to the south of this boundary and all islands appertaining or belonging to the province of Fêng-tien situated in the Eastern portion of the Bay of Liaotung and in the Northern part of the Yellow Sea. Article III. of the Treaty of Shimonoseki is in consequence suppressed, as are also the provisions in the same Treaty with reference to the conclusion of a Convention to regulate frontier intercourse and trade.

Art. II.—As compensation for the Southern portion of the province of Fêng-tien, the Chinese Government engage to pay to the Japanese Government 30,000,000 Kuping Taels on or before the 30th day of the 9th month of the 21st year of Kuang Hsü, corresponding to the 16th day of the 11th month of the 28th year of Meiji (November 16th, 1895).

Art. III.—Within three months from the day on which China shall have paid to Japan

the compensatory indemnity of 30,000,000 Kuping Taels provided for in Article II. of this Convention, the retroceded territory shall be completely evacuated by the Japanese forces.

Art. IV.—China engages not to punish in any manner nor to allow to be punished those Chinese subjects who have in any manner been compromised in connection with the occupation by the Japanese forces of the retroceded territory.

Art. V.—The present Convention is signed in duplicate in the Chinese, Japanese, and English languages. All these texts have the same meaning and intention, but in case of any differences of interpretation between the Chinese and Japanese texts, such differences shall be decided by reference to the English text.

Art. VI.—The present Convention shall be ratified by His Majesty the Emperor of China and His Majesty the Emperor of Japan and the ratifications thereof shall be exchanged at Peking within twenty-one days from the present date.

In witness whereof the respective Plenipotentiaries have signed the same and have affixed thereto the seals of their arms.

Done at Peking this 22nd day of the 9th month of the 21st year of Kuang Hsü, corresponding to the 8th of the 11th month of the 28th year of Meiji (November 8th, 1895).

[L.S.] LI HUNG-CHANG.

[L.S.] BARON HAYASHI TADASU.